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NEWS SUMMARY

GENERAL

Reagan offers to meet Brezhnev

President Ronald Reagan held out the prospect of a summit meeting with President Brezhnev this summer, provided he went to New York to address the special session of the United Nations general assembly on disarmament in June and July.

Mr Reagan said he would be addressing the UN session on arms control.

He doubted whether the Brezhnev meeting would be a full-blown summit, but stressed that arms control was one of his Administration's most important challenges. Back Page

Prior goes ahead

Northern Ireland Secretary James Prior's plans for devolution, presented to the Commons yesterday, are unlikely to be held up by the Falklands crisis. Back Page

Price war 'over'

Shell, Esso and BP Oil believe the 15-month petrol price war may be coming to an end. BP Oil said the industry wants another 5p increase. Page 6

Deputy shot dead

A rightist deputy elected to the constituent assembly in El Salvador's elections a week ago died from bullet wounds received in an ambush near San Salvador.

Hijackers held

Three men who hijacked a Chicago-Miami flight to Cuba, dousing a stewardess with petrol, were held by Cuban soldiers at Havana airport. The aircraft and passengers later flew to Miami.

Poles accused

The Polish army paper Zolnierz Wolnosci accused Poles of being better at destructive upsurges than conscientious labour, and said the Church reinforced this attitude.

Japan may slow

Japan could have so many old people by 2020 that its economy would go into decline, the International Labour Organisation said.

Pole by Sunday

British explorers Sir Ranulph Fiennes and Charles Burton expect to reach the North Pole by Sunday. They are 217 miles ahead of the Norwegian team.

Castle for sale

Hever Castle in Kent, where Henry VIII courted Anne Boleyn, is to be sold by the Astor family. It is valued at £10.5m. Picture and story, Page 6

Trial abandoned

Ex-miner John Evans, 86, accused of murdering his wife after nearly 60 years of marriage, will not stand trial because he was found mentally unfit to plead. He will be admitted to a psycho-geriatric hospital.

Pulling pintas

The Windmill public house at Orton near Peterborough has started selling milk in a bid to compensate for falling beer sales.

Briefly . . .

Five Polish miners died in a colliery explosion in Walbrzych province.

Mount St Helens volcano erupted twice in Washington state. No damage was reported.

Cyclone Bernie hit the Solomon Islands; 1,000 were evacuated.

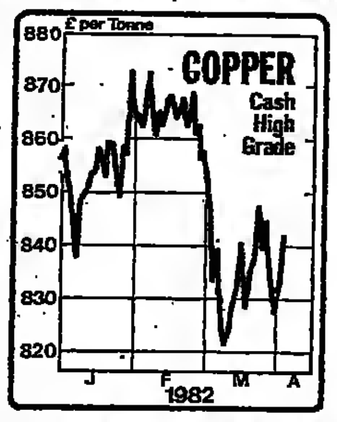
Actor Warren Oates died of a heart attack, aged 52.

BUSINESS

Gold up $9.75; copper rises

● GOLD rose $9.75 in London to close at $337.75 after an initial higher rise in reaction to the Falklands situation. Page 25

● COPPER higher-grade cash price closed £9.5 up at £842 a



tonne on the London Metal Exchange and other metals were marginally higher. Page 27

● STERLING fell 1.8c to close in London at $1.768. It dropped to DM 4.27 (DM 4.29), SwFr 3.455 (SwFr 3.47), Fr 11.075 (FFr 11.165) and Y440 (Y441.5). Its trade-weighted index was 90.3 (91) Page 25

● DOLLAR improved to DM 2.413 (DM 2.4), SwFr 1.953 (SwFr 1.9425) and Y248.75 (Y247). Its trade-weighted index was 116.2 (115.8). Page 25

● EQUITIES: the FT 30-share index closed 11.1 down at 559.9. Page 30

● GILTS: the Government Securities Index fell 1.69 to close at 67.65—its biggest one-day fall since June 1979. Page 30

● WALL STREET was 1.53 down at 837.04 near the close. Page 26

● INFLATION-PROOFED government stock made available to all in the Budget has caused confusion about the public borrowing target according to the Treasury and Civil Service Committee. Page 6

● INDUSTRY BILL was published by the Government, which would provide an extra £1bn in selective industrial aid in the next few years.

● TUC conference voted for an eight-point battle plan to oppose the Employment Bill. Back Page

● MASSEY FERGUSON began transferring work overseas in reaction to a strike by 3,300 at its Coventry tractor factory. Page 10

● FINANCIAL WEEKLY, launched in 1979, will close this week. Back Page

● MERSEY DOCKS and Harbour Company announced a trading loss of £7.5m (£3.9m) for last year and said it will go out of business unless it becomes commercially viable this year. Back Page

● BRITISH PRINTING & Communication Corporation cut pre-tax losses to £1.22m (£11.26m) for the year to January 2. Back Page, Lex and Page 18

● RUGBY PORTLAND Cement increased pre-tax profits last year to £18.6m (£16.86m). Page 18

● GLAXO HOLDINGS has increased taxable profits to £56.75m (£35.6m) for the six months to December 31. Page 18, Lex Back Page

● GEC has sold Morphy Richards, the domestic appliance group, for nearly £5m. Page 20

● ROCKWELL International has sold a group of three companies making commercial vehicle parts to a management team for £3.25m. Page 20

Carrington resigns over Falklands

BY PETER RIDDELL, POLITICAL EDITOR

MRS THATCHER last night dramatically staked her political future on the return of the Falkland Islands to British sovereignty. This followed the series of shattering blows to the credibility of her administration since last Friday, culminating yesterday in the resignation of Lord Carrington as Foreign Secretary.

Other Falklands stories, Page 4
Tory reaction and resignation letters, Page 8
Politics Today and Editorial Comment, Page 16
Juggling act that failed and Downfall of a diplomats' diplomat, Page 17

The Prime Minister refused the resignation offer by Mr John Nott, the Defence Secretary, but she accepted the resignations of Mr Humphrey Atkins, Deputy Foreign Secretary, and Mr Richard Luce, Minister of State at the Foreign and Commonwealth Office.

The Premier last night attempted to rebuild confidence by appointing Mr Francis Pym as Foreign Secretary. He is widely respected by MPs and is, ironically, tipped as her most likely successor.

Mr Pym will be succeeded as Lord President of the Council and Leader of the Commons by Mr John Biffen, the Trade Secretary. He is generally regarded as a "good House of Commons man."

Mr Biffen's post and the vacancies at the Foreign Office will be filled today, though the intention is apparently to keep changes to a minimum.

Mrs Thatcher's own political position has become increasingly exposed after the traumas of the last few days. Lord Carrington's departure leaves her in the front line and MPs were last night speculating that her future is now inextricably linked with a successful outcome to the Falklands issue.

The Prime Minister said in an emotional interview on ITN last night that "we have to recover what is our sovereign territory. I am not talking about failure. I am talking about my supreme confidence in the British fleet, superlative ships, excellent equipment and the most highly trained professional group of men."

Mrs Thatcher quoted Queen Victoria: "Failure—the possibilities do not exist. That is the way we must look at it. Using all our professionalism, all our flair, every single bit of native cunning and all our equipment we must go out calmly, quietly, to succeed."

Senior ministers recognise that the Government faces a hard task over the next few weeks in restoring confidence both within the Conservative Party and in the country. One Cabinet Minister said: "Last Thursday the party seemed to have got over the Hillhead defeat and was set to recover, this has now been totally destroyed."

Tory MPs were still extremely shaken last night. A couple of dozen hard liners welcomed Lord Carrington's departure, since they blame Foreign Office "appeasement" for the Falklands failures. But most Tory MPs regret his resignation, while recognising its probable inevitability, since they regarded him as a successful Foreign Secretary whose loss will seriously damage the Government's standing at home and abroad.

The immediate response to the new appointments was generally favourable since both Mr Pym and Mr Biffen are respected and liked at Westminster.

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Carrington: "Bonny fighter"


Pym: "Good Commons man"

Reagan in 'honest broker' move

By Our Foreign Staff

PRESIDENT Ronald Reagan said yesterday he was prepared to act as an "honest broker" in the Falklands dispute if that would do anything to help a peaceful solution to an unnecessary conflict. Mr Reagan told a Washington news conference that the U.S. found itself in a "very difficult situation" as it was friends with both Britain and Argentina.

He repeated U.S. opposition to any "forceful action or bloodshed" and reaffirmed his governments' support for last week's United Nations Security Council resolution calling for an Argentinian withdrawal and a resolution through negotiations at the UN.

Mr Reagan was speaking as Britain called on its 17,000 citizens in Argentina to consider leaving the country and the main ships of the British assault force left Portsmouth to start their two-week voyage to the Falkland Islands.

The Argentine armed forces yesterday continued to fly in reinforcements to the British colony they invaded on Friday. Late on Sunday a group of six British Marines on the islands gave themselves up, according to reports reaching Buenos Aires yesterday. They had been hiding in a cave on East Falkland island. Military officials in Buenos Aires said the six were hungry and cold, but healthy.

The main body of marines captured after the original fighting on Friday flew into London yesterday, with Mr Rex Hunt, the Governor of Britain's South Atlantic outpost.

The Argentine occupation forces have moved quickly to establish their authority over the 1,800 inhabitants on the islands. Penalties of up to 180 days' prison have been introduced for insulting the authorities and troops have been searching farmhouses to confiscate weapons, radio transmitters and receivers.

General Mario Benjamino Menendez, who is shortly to take over as Argentina's governor of the islands, has said that the English language

Continued on Back Page

Loan and credit pressure increases on Argentina

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

FINANCIAL PRESSURES were increasing on Argentina last night as it became clear that British banks will be refused permission to extend new loans to Argentine residents and may have to withdraw from some existing credits under the financial sanctions imposed by the Government over the weekend.

Banks were still awaiting clarification from the Bank of England on the operation of the sanctions yesterday, but one major bank, National Westminster, has already announced its withdrawal as a lead manager in the $300m (£113m) credit recently syndicated for the Buenos Aires electric company SEGBA.

In the wake of the British action, Argentina, which needs to raise more than $7bn (£4bn) in foreign loans this year, is believed to have taken steps to ensure that debt service payments do not reach British banks.

The assets freeze is understood to apply to the UK subsidiaries of foreign banks as well as their branches in London. There is doubt over the extension of this to the foreign branches of British banks.

Under its terms, banks subject to British law will not be able to execute requests by Argentine borrowers for drawings on existing credits which are not fully utilised. The extension of new credits will also be banned.

International bankers said yesterday this could cause such confusion in the marketplace that non-British lenders would also cease making new loans to Argentina.

"It's impossible to see who would step in and fill the gap," said one U.S. banker yesterday. "Everybody will be too nervous about the risk."

The assets freeze has caused particular worries to British banks such as Lloyds which have acted frequently as agents for international loans. They will no longer be able to fulfil this role under the freeze because it involves channelling payments from Argentine borrowers to other banks participating in the credit.

In some cases, bankers said, this could lead to the invocation of illegality clauses in loan documentation whereby the whole credit would fall due for immediate payment because British banks could no longer legally fulfil their obligations.

Continued on Back Page

LINER TO BE REQUISITIONED

The Trade Secretary announced a series of measures related to the Falklands crisis in the House of Commons yesterday. They included:

- P & O liner Canberra is the first vessel to be requisitioned;
- Government is examining more economic measures against Argentina;
- Announcement that consultations are taking place with the EEC and other allies on a co-ordinated economic response;
- UK citizens advised not to travel to Argentina;
- A call to companies to withdraw non-essential UK staff from Argentina;
- An instruction that companies should not take on new commitments in Argentina.

Sterling, gilts and equities all fall

BY OUR ECONOMICS, FINANCIAL AND CITY STAFF

THE Falkland Islands crisis reverberated around the London stock and foreign exchange markets yesterday. Sterling closed nearly two cents down, hitting its lowest level against the dollar since October 1977.

In a day of uncertainty and nervous trading, gold rose, gilts recorded the largest fall since June 1979, and the stock market fell sharply in the morning, rallied and then fell back again slightly with the news of Lord Carrington's resignation.

Sterling closed on Friday at $1.7860 and closed yesterday at $1.768. It was also slightly weaker against most Continental currencies, although its trade-weighted value against the dollar slipped from 91.0 to 90.3

Although there were conflicting reports in the day about central bank interventions, the Bank of England clearly intervened. It held sterling at several levels on its way down, although not aggressively.

Gold rose more than $10 to $338.35 at one stage, boosted by both the British crisis and the shortage of bullion on the Zurich market. Hectic trading later eased and gold closed quietly in London at $337.75, a rise of 9.75 over last Friday.

More than £2.5bn was wiped off stock market values and the Financial Times Industrial Ordinary Share Index, which reflects the share price movements of 30 blue-chip UK companies, fell 16.4 points to 554.6 at one stage.

The index recovered, however, in the afternoon, to show a fall of 11.1 at the close of the day's trading, the heaviest one-day loss this year.

Among the most notable share-price movements was a 22p fall to 418p in the shares of Lloyds Bank. Lloyds has a major domestic banking venture in Argentina, with a main office in Buenos Aires, the centre for its banking operations in Paraguay, Peru and Uruguay.

In the City there were fears the bank's assets might be sequestered in retaliation for the British decision to freeze all Argentine assets in the UK.

The sharpest falls, however, were recorded in the gilt-edged securities market. Falls in long-dated stock ranged to about three points at one stage. A rally at the end of trading left final quotations with losses rising to 2¼ points.

Short-dated gilts showed falls of up to 1½. The Government securities index, down 1.69 at 67.65, recorded its biggest fall since June 13 1979 as investment sentiment for gilt-edged stock waned.

In the international money market Eurodollar interest rates eased by about a quarter of a percentage point, with the three-month rate falling to 15⅛ per cent.

Money Markets, Page 25

£ in New York

	April 2	previous
Spot	$1.7885-7905	$1.7865-7870
1 month	0.34-0.38 pm	0.26-0.30 pm
3 months	0.80-0.95 pm	0.81-0.86 pm
12 months	2.60-2.80 pm	2.60-2.70 pm

Wholesale price increase only half per cent last month

BY ROBIN PAULEY

THE GOVERNMENT yesterday had its best piece of news on inflation since taking office but its impact was lost in the foreign affairs crisis.

Last month's increase in wholesale prices was only ½ per cent and was accompanied by a 2 per cent fall in fuel and raw material costs, according to Industry Department figures published yesterday.

This small increase in the cost of manufactured products sold in the UK resulted in the index of output prices rising to 235.6 (1975=100). The year-on-year increase fell to 9.5 per cent compared with 10.75 per cent in the year to February.

This is the lowest annual figure since the Government took office and it is three years since wholesale prices were last rising at a lower rate than 9.5 per cent.

The six-monthly movement was even more encouraging, decreasing from 4.75 per cent in February to 4.25 per cent in March.

The figures reinforce the Government's belief that inflation as measured by the retail price index will soon drop into single figures. The last RPI showed a rise of 11 per cent in the year to February and this could fall to less than 10 per cent by May.

The Treasury forecasts of 9 per cent by the fourth quarter and 7.5 per cent by next spring now look attainable.

The good figures which under different circumstances, would have been an important boost for the Government, were backed up by a sharp drop in industry's raw material and fuel costs, which fell by 2 per cent in March.

Lower oil prices were largely responsible and the year-on-year increase to March fell dramatically to 8 per cent compared with 12.1 per cent in the year to February. This is the lowest annual figure since December 1978 and means that industry's fuel and raw material costs are now no higher than they were eight months ago.

The input price index is now at 235.3 (1975=100) compared with 239.3 in February.

● The Trade Department said the final seasonally adjusted index for the volume of retail sales in February is 106.1 (1978 = 100) compared with the provisional figure of 106. This confirms that after a brief January sales boom retailers are back in the depressed position of a year ago.

● Hire purchase and other credit business advanced in February amounted to £891m, the highest monthly figure since September. Total advances in the three months to February were 1 per cent lower than in the previous three months.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Amber Day	15½	+ 2½
Glaxo	556	+ 10
Highland Distilleries	79	+ 3
Stakis	68	+ 7
Anglo Am. Gold	£25	+ 2
Buffels	£18	+ 1
Randfontein	£24½	+ 1¾
Rustenburg Plat.	177	+ 9
Western Deep	£15	+ 1
Western Hldgs.	£21	+ 1½
FALLS		
Excheq. 14pc '86	£99¾	− 1½
Excheq. 13½pc '92	£96½	− 2½
BAT Inds.	413	− 17
Barratt Devpts.	272	− 11
Bryant Hldgs.	98	− 8
Cawoods	280	− 8
Dawson Intl.	127	− 11
Dowty	114	− 11
FNFC	38½	− 3

GEC	815	− 18
Gordon (Luis)	22	− 6
Guinness Peat	70	− 8
Hambros	130	− 12
Hammerson 'A'	610	− 30
Horizon	382	− 20
ICI	318	− 6
Kwik Save	244	− 10
Land Securities	290	− 10
Lloyds Bank	418	− 22
Metal Box	138	− 10
Midland Bank	318	− 10
Phicom	16	− 4
Phoenix Assur.	246	− 6
Pilkington Bros.	288	− 14
Plessey	377	− 8
Royal Insurance	335	− 17
Weir	59½	− 4
BP	284	− 14
Shell Transport	376	− 8
Renison	146	− 14

CONTENTS

For latest Share Index phone 01-246 8026

French farmers call for measures to bolster income

BY DAVID WHITE IN PARIS

FRENCH farmers' leaders are increasing pressure for unilateral measures to bolster their income and compensate for the delay in reaching an EEC price settlement.

Following the decision by EEC ministers to hold another round of farm price talks on April 20—almost three weeks after the original deadline—M Francois Guillaume, head of the powerful FNSEA union body, called on the Government for "temporary compensatory measures."

He said tha the delay would cost French farmers around FFr 640m (£62m) in potential revenue.

"The French Government is not alone in decide in Brussels. It is, however, in France," he said, calling not only for adequate prices but also for measures to limit production costs.

A clear warning of renewed protest action by farmers was issued by the union's young farmers' affiliate, the CNJA.

M Michel Fau, the CNJA leader, said in a communique that the Government, if it failed to deliver on its promise of transitional measures, "should not be surprised if farmers react strongly." He called on members to be "ready for rapid mobilisation."

The two bodies were joint organisers of a mass march in Paris last month in which 100,000 are reckoned to have taken part.

The French Government has already come up against criticism in Brussels for a unilateral aid package for farmers, announced in December, totalling FFr 5.6bn, including direct cash payments to smallholders.

In the face of increasingly violent protests in the countryside, it backed this up in February with promises of additional measures to help farm investment and to monitor the cost increases which in recent years have whittled away the average farmer's real earnings.

Warning as W. Germany reveals fall in jobless

By James Buchan in Bonn

UNEMPLOYMENT IN West Germany fell from the record levels of January and February last month, but the Federal Labour Office warned yesterday that the improvement was largely seasonal and concealed a continuing deterioration in the labour market.

The number of people unemployed fell in March by 6.4 per cent compared with February, or by some 124,000. Some 7.6 per cent of the workforce was without a job last month, compared with 8.1 per cent in February. But Herr Josef Stingl, the president of the Labour Office, warned that the labour market had still not turned the corner.

The average level of unemployment in the first three months of this year was 1.9m, half as much again as in the first quarter of last year.

The continuing high levels of unemployment are placing the government under considerable pressure and the ruling Social Democrat Party yesterday seized on the new figures as support for the Government's DM 12.5bn (£2.9bn) job creation plan.

Although the plan was passed by both Houses of the Bonn Parliament last month, the opposition-controlled Bundesrat or Upper House threw the whole programme into doubt by rejecting an increase in value-added tax designed to finance important elements of it.

Rupert Cornwell examines the chances of survival for the Italian five-party coalition

'If we make it to Easter, we'll be all right'

IS EVEN Russian help not enough to stave off another Italian political crisis, this time leading in all probability to early general elections? That is the question now being asked in Rome, after Moscow's agreement to give the Government here an extra month to make up its mind on the bitterly contentious issue of whether to take gas delivered by the planned Trans-Siberian pipeline.

Last week the deadline went back from April 1 to May 1. "If we can make it to Easter, then we are all right," ventured one of the closest cabinet colleagues of Sig Giovanni Spadolini, the Prime Minister, last week, in a long-range political forecast — hold by current Italian standards.

What he meant was that if the collapse of Sig Spadolini's five-party coalition could be avoided in the next few days, then it would be too late to squeeze in general elections (two years before they theoretically fall due in summer 1984) before the holiday season starts in July. By permitting a delay on the pipeline decision, which had set Christian Democrats and Republicans at complete odds with Socialists, Social Democrats and Liberals, who opposed the contract, the Russians removed one obvious, immediate threat to the Government's survival.

Escape would owe more to the calendar than anything else. In Italy convention dictates that elections are held in May or June. The formal campaign *must run at least 45 days*, and usually lasts two months. If allowance is made for the consultations and attempt(s) to form a new Administration that would take place before President Pertini signed the decree dissolving parliament, there simply would not be enough time.

For Sig Spadolini, such an outcome would be a minor statistical triumph. His spell in office has already brought a refreshing change of style, if not of substance, in the conduct of government. It is also the longest-lived Administration since the inconclusive last general elections of June 1979. Its three predecessors have managed to hold together only seven months on average before their demise.

Sig Spadolini, as the Republican Party leader — the country's first non-Christian Democrat premier since 1945 — has brought a rare zeal and singlemindedness to his job. Regularly, opinion polls show that he enjoys an equally unusual esteem and popularity among the public. Yet the reprieve, if so it is to be, is likely to be brief: political seers are now looking towards October or November as a likely moment for those early elections. They would, incidentally, be the first held in autumn under the postwar republic. In practical terms, the campaign has already started.

Sig Spadolini's misfortune is that, whatever his successes against terrorism, in restoring some respect for Italy's institutions and in stabilising the economy, the political fundamentals remain the same as when he took office. He became Prime Minister only thanks to *an uneasy compromise between* Christian Democrats and Socialists, an understanding vital if any Italian government is to have a majority in parliament. Sig Spadolini's Republicans, with just 3 per cent of the total vote, are ultimately irrelevant.

If that compromise can still be said to hold today, it is for entirely negative reasons. The Christian Democrats know that to demand the prime ministership back would be unacceptable to the Socialists, who want it for themselves; elections, meanwhile, could still catch them in disarray.

The Socialists would dearly like to go to the country as soon as possible, fearful that the tide behind them, which carried comparable parties to power in France and Greece, may be beginning to turn. But they are mindful, too, of the conventional wisdom of Italian politics: that elections invariably punish the party held to have provoked them. Hence their need for an unimpeachable excuse for pulling the rug from under the Prime Minister, and their continual efforts to goad the Christian Democrats into doing exactly that.

As Easter has approached, the war of nerves has intensified. Thus far Sig Spadolini has been remarkably adroit in avoiding a mis-step but, as the bickering grows, the smaller the slip is needed to send him tumbling. As he remarked last week, with a dignity Italian politics rarely deserve but with an ever-justified fatalism: "My government, like everything else will come to an end, but when and how, I don't know. I will just go on working as if every day was both the first and the last."

The incessant feuding has meant that he has become completely bogged down. The 1982 Finance Bill still has not been approved by parliament; and several vital votes will have to be overcome without mishap if it is to reach the statute book, as planned, by this weekend.

The gas argument may have been temporarily shelved. It has been replaced, though, by an affair sensational even by Italian standards, involving the secret service and alleged Christian Democrat links with the underworld. It is set in Naples, strewn with corpses, and revolves around the fact that a £50,000 ransom was paid to the Red Brigade's terrorists for the release of Sig Ciro Cirillo, a local Christian Democrat politician they held prisoner last year.

No one knows what revelations may come next, but for the Socialists, the scandal is like the pipeline row: another stick with which to beat the Christian Democrats. In the first case the latter were accused of being ready to sell Italy's energy security at a knock-down price to the Soviet Union. Now the Christian Democrats are being portrayed as using the secret services for their own purposes.

The Party's nerves are understandably raw. It sees the "Cirillo affair" as a crudely contrived smear, to upset it ahead of the Congress in three weeks time, scheduled to elect a new Christian Democrat secretary. The Communists, whose newspaper L'Unita was duped into publishing a "scoop" which turned out to be false, have also been damaged by the affair's ramifications—but not enough to induce them to get the Christian Democrats off the hook.

Giovanni Spadolini

Already it is proving extremely difficult for the Christian Democrats to agree on a single candidate for their leadership. It may even now be that some elements within the Party prefer to provoke a crisis and, if necessary, elections, to force the party at least to close ranks, and out of an awkward and divisive internal choice.

Sig Spadolini's days are thus numbered, and his downfall could come within a month. That outcome may be the opposite of what the economy and the country require, but such considerations have not often weighed upon the conscience, or even the awareness, of Italian politicians for very long.

Brezhnev may not resume duties until May Day

BY OUR MOSCOW CORRESPONDENT

MR LEONID BREZHNEV'S illness will probably keep him away from official duties until the end of April, Soviet officials said yesterday.

The Ministry of Foreign Affairs, which has commented on the growing number of reports speculating on the Communist Party leader's health, announced that the Soviet President is "on a routine winter vacation."

Neither the place nor the duration of Mr Brezhnev's holiday were disclosed in the government statement, which was telephoned to correspondents only after a U.S. news magazine published a prediction that Mr Brezhnev would resign next month.

The Foreign Ministry was at pains not to comment directly on questions about the Soviet leader's health.

Mr Brezhnev was last seen on March 25, when he left Tashkent in Uzbekistan to return to Moscow, following a strenuous schedule of speeches and public appearances. He reportedly has suffered either a mild stroke or from a "spasm" of the cerebral blood vessels—a near-stroke, according to officials.

An official said yesterday that the Kremlin leader was resting at a special Kremlin clinic at Kuntukseo on the outskirts of Moscow. Earlier, he had been treated at a hospital near the Kremlin.

At least two Soviet officials said they believed Mr Brezhnev would not appear during the April 21 celebrations of Lenin's birthday.

Weeks of rest were in store for the Russian President, whether or not he has suffered a stroke, they added. The earliest he was expected to reappear in public was May 1, when tradition calls for him to stand above Lenin's tomb and review a parade of Soviet workers in Red Square.

A full meeting of the Communist Party central committee that reportedly had been scheduled to take place last week has been postponed until the latter half of May.

Barring any relapse in his health, Mr Brezhnev was expected to deliver a lengthy speech during that period.

Gromyko holds Yugoslav talks

By Our Foreign Staff

MR ANDREI GROMYKO, the Soviet Foreign Minister, yesterday met his Yugoslav counterpart, Mr Josip Brbovec, for discussions in advance of this summer's crucial Yugoslav Communist Party Congress.

Mr Gromyko, the first senior Soviet politician to visit Yugoslavia since the death of President Tito two years ago, was also due to *meet Mr Veselin Djuranovic*, the Prime Minister, and Mr Dusan Dragosavac, president of the Yugoslav Communist Party.

Poland hopes agreement will lead to more rescheduling

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH Government is hoping that today's signing in Frankfurt of the landmark agreement rescheduling its 1981 debt of $2.2bn (£1.2bn) with more than 500 Western banks will pave the way for similar agreements on this year's debts.

But Gen Wojciech Jaruzelski's martial law administration is evidently not planning any spectacular political concessions which might persuade the Western governments to drop their refusal to reschedule 1982 debt and encourage banks to make new loans to Poland.

This emerged in a weekend interview with Mr Marian Krzak, the Finance Minister, who put his signature to the 1981 rescheduling agreement on Saturday in Warsaw, since he has been unable to travel to Frankfurt today.

It was now a matter of the Western banks "credibility." Mr Krzak said. "The banks told us that the signing of the agreement is a point of departure. We have done everything to reach this point, no mean feat in a situation when hard currency earnings continued to drop in the first quarter."

More than $300m in overdue interest had been repaid to Western banks in the first three months of this year, the Finance Minister said. The new agreement gives Poland a four-year grace period to repay $2.2bn in capital which fell due last year. Repayment is now to start in December, 1985 and end by December, 1988, with the interest rate for the sum rescheduled set at 1.75 per cent above Libor.

Mr Krzak expressed optimism about the new credit. "We have been talking to the major Western banks including U.S. ones, and they tell us they realise the problem cannot be resolved without financing for imports which are needed for export production."

Polish officials have been emphasising the West's "self-interest" in helping bankrupt Poland import a minimum of Western components and raw materials to keep industry moving.

Nato governments have set as a condition for renewed aid to Poland moves by Gen Jaruzelski to lift martial law, free interned prisoners and to resume a political dialogue in the country. But Mr Krzak warned: "It's all a matter of the way you look at things. The Government is constantly, but very gradually, introducing changes."

The Warsaw authorities could not take risks, he said. "We lost control of the situation last year."

Mr Krzak said he realised that Western governments were guided more by political than economic motivations. This was a factor in consideration of Poland's application to join the International Monetary Fund, filed last autumn within a week of Hungary's IMF application.

But "it would be strange if Hungary were to be accepted (in the IMF) and Poland were not," he said. "Certainly the political situation here makes things more difficult for us, but economic criteria must win through."

LORD CARRINGTON'S RESIGNATION

Widespread reaction of dismay from leaders

THE European Community has lost one of its strongest personalities and leading Foreign Ministers, M Gaston Thorn, President of the European Commission, commented yesterday after hearing of Lord Carrington's resignation, John Wyles writes from Brussels.

M Thorn's dismayed reaction reflected the general despondency in Brussels at the departure of probably the most pro-EEC Foreign Minister to have sat in the Foreign Office since Britain's accession to the Community.

"Lord Carrington was one of the great promoters of political co-operation and he helped to make it successful because he saw it adding a new dimension to British foreign policy," M Thorn added.

He thought the Community's controversial Venice Declaration on the Arab-Israeli conflict owed much to Lord Carrington's influence and determination.

Lord Carrington, he declared, had played a key role in framing the EEC's call for a two-stage international peace conference aimed at achieving Soviet withdrawal from Afghanistan and the establishment of a neutral non-aligned state there.

Lord Carrington made no secret of his preference for political co-operation over the minutiae of domestic Community issues. He won high marks as president of the EEC Council of Ministers in the second half of last year for his skill and fairness in encouraging agreement on issues ranging from ratification of the International Cocoa Agreement to negotiations on a new Multi-Fibre Arrangement.

The pre-eminent problem to be tackled by his successor will be the key negotiations on a new formula for cutting the UK's payments to the EEC budget.

Foreign ministers are due to make a push for an agreement on April 27, but there were doubts in Brussels yesterday on whether this would now be possible.

"Lord Carrington was extremely familiar with the very complex issues involved, and I would have thought that his resignation would inevitably mean a delay," a senior EEC ambassador said last night.

● WASHINGTON — Officials reacted with disappointment to the departure. Lord Carrington was regarded generally as a good friend and ally, and a man of international stature, writes

Gaston Thorn

Reginald Dale, U.S. Editor.

Lord Carrington and the State Department did not always see eye to eye, particularly at the time of the European Community's Middle East peace initiative last year, when Britain was President of the European Council of Ministers.

Earlier this year, it was reported that Mr Alexander Haig, the U.S. Secretary of State, has called Lord Carrington a "duplicitous bastard" during a private State Department policy meeting, because of the way the British Foreign Secretary had pursued the Middle East initiative.

On the whole, however, Mr Haig and Lord Carrington got on well together, and Mr Haig wrote Lord Carrington what he called a "funny and outrageous" letter to set the record straight after the alleged insult.

● BONN—The West German Government has expressed "deep regret" at Lord Carrington's resignation—a reaction which in this case is much more than one of formal politeness, Jonathan Carr writes.

Several members of the Bonn Government, above all, Chancellor Helmut Schmidt, feel they are losing close contact with a valued friend as well as a colleague. It is also believed that the tangle of EEC problems involving Britain's budget contribution and farm prices may prove still harder to solve, now that he has stepped down.

Herr Schmidt has for years seen in Lord Carrington what he once semi-privately described as "one of the finest products of the English upper class"—implying in this case, a statesman capable of taking a broad political view, and not inclined to become bogged down in detail.

The relationship of Herr Hans-Dietrich Genscher, West Germany's Foreign Minister was more complex. Both were seen as "political heavyweights" in the EEC foreign ministerial council, and to that extent, Herr Genscher viewed his British counterpart with friendly rivalry.

It is understood that Herr Genscher is preparing a personal message to Lord Carrington, expressing dismay that the Foreign Secretary felt it necessary to resign.

● ROME—The Italian Government will miss Lord Carrington as Foreign Secretary, James Buxton writes. Apart from the fact that in the EEC, Britain and Italy have traditionally had good relations, Sig Emilio Colombo, Italian Foreign Minister, had considerable respect for his UK counterpart, both for his style and his command of the issues.

This was reciprocated, and contributed to the fact that Sig Colombo obtained a temporary settlement of Britain's EEC budget problem in 1980.

The underlying concern in Italian foreign policy is that Italy should not be excluded from the councils of the major Western powers. Lord Carrington was normally well aware of this. But Italian pride was ruffled last July when Italy was excluded from a supposedly secret meeting between the British, French and West German foreign ministers on the eve of Lord Carrington's visit to Moscow to present his Afghanistan peace plan.

To make amends, the British Foreign Secretary stopped at Rome on his return from the Soviet capital for a late-night dinner with Sig Colombo, in order that he should be the first to know at first hand the outcome of this initiative.

● PARIS—Though there was no official reaction from the French Ministry of External Relations, the departure of Lord Carrington is much regretted, writes David Housego. He is regarded at the Quai d'Orsay as an "exceptional diplomat" and "quite out of the ordinary."

M Claude Cheysson, the Foreign Minister, who spoke on the telephone with Lord Carrington after his resignation, is known to have had a high personal regard for him.

In spite of Franco-British differences over the reform of the EEC budget and agricultural prices, it is felt that the two had struck up a personal relationship. It was being said at the Quai yesterday that the image

Helmut Schmidt

of British diplomacy would suffer with Lord Carrington's departure.

The key question is whether under his successor, there will be any change in the British negotiating attitude over the EEC. Paris's instinct is to feel not.

It is said that though Lord Carrington seemed to show more flexibility, he was operating under very tight negotiating instructions from Mrs Thatcher. This leash, it was thought, would, if anything, be tighter with an untried successor.

● MADRID — The Spanish Foreign Ministry yesterday said that its relations with Britain would remain unaffected by the resignation, *writes Robert Graham*. However, the action casts a cloud over the meeting due to be held with Jose Pedro Perez-Llorca, the Spanish Foreign Minister, at Sintra, near Lisbon, on April 20.

The meeting has been timed to coincide with the opening of the Spanish frontier with Gibraltar and was part of an agreement between Britain and Spain over the future of the Rock.

Yesterday, there was no indication that this meeting would be postponed or that there would be any change in Spanish plans to re-open the frontier. However, the Spanish have put a lot of faith in the personal ability of Lord Carrington to show the same kind of talents over Gibraltar as he did with Rhodesia.

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Cuban economy 'seriously handicapped' by embargo

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE 20-YEAR-OLD U.S. trade embargo on Cuba has seriously handicapped the country's economic development and will continue to do so, according to a Congressional report published here at the week-end. The embargo was "a crucial impediment to Cuba's efforts at diversifying and expanding its hard currency trade—the key to improved economic growth and living standards," it said.

The paper's publication coincided with reports from Havana that Cuba is opening the door to foreign investment—for the first time in 20 years—to attract much-needed hard currency. Under a recent decree, Cuban state-owned enterprises have been authorised to "unite in economic associations with foreign interests inside the national territory," on attractive terms for foreign investors.

President Castro: Despite social successes, his revolution has been an economic failure

The report released by the joint economic committee said that despite some successes in the social field, the Cuban revolution had been an economic failure, and the outlook was not much better. Cuba's economic problems were "systematic and generally deteriorating" and the Castro régime "may not be fully aware of the potential implications for the long-term survival of the revolution," it said.

The report, which did not claim to represent official U.S. policy, concluded that Cuba had benefited little from its membership of Comecon over the past decade. The Comecon countries were unreliable suppliers of "limited variety of generally poor-quality products ... which has retarded Cuban economic performance," it said.

The continued denial of Cuban access to U.S. trade and financial markets had effectively restricted the potential for trade and investment by other Western countries.

The new attempt to attract foreign investment would encourage the formation of joint Cuban-foreign companies to rent property and build new factories, tourist centres, restaurants and other "facilities," Reuter reported from Havana. A high Cuban official described the new law as "one of the most significant economic policy moves since Cuba became a Socialist state in the early 1960s."

The law limits foreign investors to a 49 per cent share in joint ventures, but says that in exceptional cases the executive committee of the Council of Ministers could authorise greater foreign participation.

A Cuban Chamber of Commerce brochure said joint enterprises would have total independence from the state and "absolute liberty to designate their boards of directors and managers, define production and sales plans, fix prices, export and import directly and select personnel."

Free transfers of hard currency dividends and profits are guaranteed under the law. Taxes paid to the Cuban Government would be limited to 30 per cent of the companies' net annual profits.

Mexico lets peso drop again

By William Chislett in Mexico City

MEXICO HAS started to depreciate the peso again to ward off the need for another major devaluation.

The currency has declined 40 per cent against the U.S. dollar since it was floated on February 18. The peso went down quickly to 47 to the dollar and then started to appreciate several centavos a day, consolidating at the 45 level. Last week, the peso started to slip again, losing a couple of centavos each day.

A senior government economist said the peso would be allowed gradually to decline possibly to over 60 to the dollar by the end of the year, in order to compensate for the considerable difference between Mexican and U.S. inflation rates. He was adamant that the peso would not be allowed to become overvalued again, otherwise there would be another surge in capital outflows.

The official said Mexico's inflation rate would be over 60 per cent this year, while the U.S.'s would be in single figures.

Mexico's inflationary spiral has been given an added twist by the Government's recent and unexpected decision to grant extra wage increases of between 10 and 30 per cent. Some companies say that to meet the extra increase could cause them to go bankrupt. They claim that compliance with the rather ambiguous decree is voluntary. The public sector, however, has already started to award the increases.

The official said that peso interest rates would also start to climb in line with the peso's depreciation. They fell 2 per cent after the devaluation and before the pay rise.

Kim Fuad looks at Venezuela's response to smaller oil revenues

Austerity pleas fall on deaf ears

VENEZUELA'S smug complacency over record $19.7bn oil earnings last year, while most of its Opec colleagues were being battered by falling demand and prices, has now given way to shocked recognition that deteriorating market conditions may trim the South American producer's 1982 oil income by as much as 30 per cent.

Indeed, President Luis Herrera Campins' Christian Democratic Administration was left speechless by the sudden turn of events. The Administration at first refused to give out concrete estimates of by how much oil revenues would further fall as a result of Venezuela's decision to reduce output to 1.5m barrels a day—700,000 b/d under volumes used to calculate this year's national budget—following the March 19 Opec prorationing agreement.

Non-governmental sources, however—including high-ranked members of the ruling "Copei" party—believe that oil income, which provides about 70 per cent of budget financing, may decline by as much as $4.6bn (£2.5bn) from the original estimate of $13.8bn this year.

A cut of this magnitude, together with uncertainty over any substantial oil price increases next year and beyond, poses serious economic—and political—problems for a country which has seen its oil income and spending decline steadily since 1973.

In the short term, it endangers Government efforts to reactivate the internal economy which has been stagnating since 1979, while the 16.5m population has continued growing at over 3 per cent a year.

The effects of the fall in oil income also spells trouble from Venezuela's highly organised 5.3m workforce. The Venezuelan Labour Confederation (CTV), which is controlled by the Christian Democratic opposition of Accion Democratic, has flatly rejected wage freezes or laying off state employees who represent over a fifth of the labour force. Sr Jose Vargas, president of CTV, says he fears the Herrera Administration has confused its call for austerity with creating further unemployment—which is now running at close to 9 per cent, or over half a million workers.

In the longer term, the Herrera Administration's colossal $150bn five-year national development plan (1981-85) is clearly in for further slimming. The plan was originally based on the assumption that oil prices would grow annually by an average 12 per cent. Ever since it became evident last year that such an assumption was false, the Planning Ministry has been back-pedalling and seeking sources of other income.

The most highly coveted source is the $8.6bn reserve fund that the nationalised oil industry has accumulated since 1976. Most observers, however, consider dipping into this fund, which has already been put aside for long-term investments needed to keep the nation's chief source of revenues producing petrodollars, is seen as tantamount to killing the goose that lays the golden eggs. Even so, with the Opposition-controlled Congress unwilling to let the Administration increase its current $19.1bn foreign debt through further borrowing, the oil investment fund is admittedly enticing, according to government economic planners.

The private sector feels that the Administration should trim its current spending, rather than having recourse to reserve funds or foreign borrowing. Current spending represents more than half of the $20bn 1982 budget, while debt servicing takes up more than 20 per cent, leaving less than $5.3bn for capital expenditures.

Dr Herrara has already announced a $1.6bn cut in government expenditures this year, but has failed to spell out where this amount and the additional cuts required will be made. He has, none the less, said what he will not do: most notably, he has rejected any increase in domestic petrol prices which retails at 31 U.S. cents per gallon.

Much of Dr Herrera's reluctance to take unpopular measures is due to the proximity of the 1983 presidential elections. His Copei party is running well behind arch rival "Accion Democratica" which hopes to return to power for the fifth time in the last quarter of a century.

Thus the Venezuelan president has limited statements on the fiscal crisis to admonishments of the need for greater austerity and hard work. This call has largely fallen on deaf ears in a country which is one of the world's largest consumers of premium Scotch whisky and enjoys extremely beneficial labour laws.

Oil exporters face first deficit for 12 years

BY PAUL BETTS IN NEW YORK

THE MEMBER countries of the Organisation of Petroleum Exporting Countries (Opec) are expected to show a $1.8bn current account deficit this year for the first time since 1970, according to a study just released by the influential Wharton econometric forecasting group.

Opec countries had a total current account surplus of $58bn last year, according to the econometric group's Middle East service.

The report attributes the rapid decline to a combination of factors, including the fall in volume of oil exports and lower oil prices. While this was occurring, Opec countries continued to import heavily.

The survey also says that after 1982, interest paid to many Gulf countries on their overseas investments are expected to stabilise or even decrease as world interest rates drop. These countries' service imports, on the other hand, are expected to continue to rise.

Wharton is forecasting the Opec current account to show a slight surplus of $2.4bn in 1983 and $4.5bn in 1984.

It claims that despite this year's Opec deficit and the moderate surpluses in the next two years, no liquidation of foreign assets is expected this year, because the main asset-holding countries, primarily Saudi Arabia and Kuwait, are still expected to record current account surpluses.

But the flow of new investments this year will be much lower than was being predicted just a few months ago.

Wharton says these projections are based on several important assumptions including a benchmark price for Saudi crude remaining at $34 a barrel until the end of 1983 and of total Opec oil production averaging 19.2m barrels a day in 1982 and 22m b/d in 1983.

Threat to Garden's future

BY DAVID LASCELLES IN NEW YORK

MADISON Square Garden, one of New York City's best-known entertainment landmarks, is in trouble.

The huge indoor arena is losing so much money that its owners have warned it may have to close unless help is forthcoming from the labour unions, the city and even the local utility. Although the Garden's distress has been known for some time, a note of urgency has crept into the crisis because the management says it will have to make some key booking decisions later this month.

As an institution, Madison Square Garden is just over 100 years old, although the present building—the third—was put up in 1968. Aside from being the home of the only two major sports teams left in Manhattan—the Knicks basketball team and the Rangers ice hockey team—it is the venue for circuses, tennis championships, concerts and countless other events, including political party congresses.

But its disappearance would not only throw New York's cultural and sporting calendar into confusion. It would wipe out a huge catering and service industry, worth over $100m a year, that has built up round it.

Anxious though everyone is to save it, the Garden strikes some people as being better off than it would have them think.

The arena is owned not by a group of struggling philanthropists, but by Gulf and Western Industries, a huge conglomerate which clocked up nearly $300m in profits last year, and has a strong reputation for opportunism. Among other things, G and W owns Paramount Pictures, Simon and Schuster, the publishers, and a host of manufacturing and financial services subsidiaries.

G and W says it is prepared to pick up part of the tab for the Garden, but only if assistance or cost savings worth several million dollars a year come from other interested parties.

The Garden also wants to cut its wage bill, get cheaper electricity, and lower rent and mortgage payments. In return for all this, G and W would pledge to keep the Garden going for another 10 years.

Salvador politician shot dead

SAN SALVADOR—A leading right-wing politician in El Salvador died from bullet wounds on Sunday after being shot by an unidentified gunman less than a week after he was elected to the country's constituent assembly.

Sr David Joaquin Quinteros of the ultra-right Nationalist Republican Alliance (Arena) was stopped in his car a few miles from San Salvador, shot in the head and left for dead at a rubbish tip in a northern suburb, party officials said.

Major Roberto D'Aubuisson, the party leader, told reporters at a wake for the dead man that there was a witness to the murder—a relative of Sr Quinteros who was travelling in the same car.

The witness was being treated at an unidentified clinic.

Maj D'Aubuisson said it was not known who was responsible for the killing, which brought a new element of tension to the political wrangling surrounding formation of a new government.

Arena won the largest number of seats in the Assembly after the Christian Democrats, and it has claimed the right to form a government.

"We want to tell everyone that if this is a way of preventing the sovereign will of the Salvadorean people, they won't be able to do it," Maj D'Aubuisson said.

Reuter

Soviet envoy to leave Canada

A DIPLOMAT at the Soviet embassy in Ottawa is to leave Canada following reports that he helped his colleague Mikhail Abramov in his attempt to buy restricted technology from a New Brunswick businessman. Mr Abramov has already been ordered out of the country, Victor Mackie reports from Ottawa.

Mr Andrei Plavinski, commercial attache with the Soviet embassy in Ottawa, has not been ordered out of the country, but will leave soon because his tour of duty has ended, an official in Canada's External Affairs Ministry said yesterday.

Bolivian bank strike

Bolivian Central Bank employees announced on Sunday they would strike indefinitely over the resignation of Sr Guido Salinas, the bank's president, who has been accused by the military government of selling foreign exchange without authorisation, Reuter reports from La Paz.

Jamaica passes test

The Jamaican Government has passed all quarterly performance tests set by the International Monetary Fund Mr Edward Seaga the Prime Minister announced, AP reports from Kingston. Jamaica borrowed $388m in April, 1981, to be paid over three years.

Production orders and employment 'still falling'

BY RICHARD LAMBERT IN NEW YORK

PRODUCTION, new orders and employment in U.S. industry are still falling, according to the latest monthly survey by the National Association of Purchasing Management.

Based on the figures for March, the Association concludes that there is no evidence of any upturn in the U.S. economy.

The only positive sign is that input prices are continuing to fall. One third of the 250 companies surveyed reported lower prices in the month, which is the highest proportion for 30 years.

Pessimism among the buying agents is reflected in a further fall in the Association's composite index, down from 39.4 per cent in February to 37.4 per cent in March. A reading below 50 per cent indicates that the economy is in decline.

The survey also shows a sharp acceleration in the speed of shipments from suppliers, which is another bearish indicator. The suggestion is that faster deliveries imply a falling level of work in hand.

Buying agents are taking an extremely cautious view of the immediate outlook, and the proportion of those polled who are buying only 30 days in advance is the highest in a decade.

EEC sanctions against Argentina sought

BY PAUL CHEESERIGHT AND PHILIP MARVIN

THE UK Government has embarked on a campaign to persuade the EEC to join a programme of economic sanctions against Argentina.

The disclosure yesterday in the Commons by Mr John Biffen, the Trade Secretary, that consultations are taking place with allies disguises intensive efforts at official level through the European Commission to find a joint EEC policy.

Although Mr Biffen said that the Government was examining on its own account further economic measures against Argentina, further decisive steps are unlikely until it has been established whether an EEC approach is possible.

In Whitehall, it is felt that the UK would have less chance of bringing the other nine Community members to its point of view if it moved too far ahead on a sanctions policy of its own.

So far, the only measures taken affect new business—through the suspension of cover from the Export Credits Guarantee Department. There is nothing to stop British companies from continuing to trade with Argentina at their own risk.

The Government would like trading to be kept to a minimum, however. This was implicit in Mr Biffen's urging in the Commons that companies should withdraw their staff and not travel to Argentina.

In fact, UK company involvement in Argentina has declined sharply in the last few years in the face of 130 per cent inflation, a general deterioration in the economy.

But several British companies have substantial interests. Imperial Chemical Industries (ICI) has a subsidiary, Duperial, which had a turnover in 1981 of £71m and an estimated £26m of fixed assets on the ground.

British American Tobacco (BAT) has three principal operations in Argentina with total net assets amounting to just under £30m.

Anglo-Dutch companies, Royal Dutch Shell and Unilever, also have significant involvement in the country, but in both cases the Dutch sides of the companies are in control of operations.

The Government's search for an EEC policy on Argentina, which has not yet been defined in detail—it will in effect be what the Government can get away with—recognises the fact that a boycott, for example, can only be effective if widely observed internationally.

EEC sales to Argentina for 1980, the last year for which full figures are available, were worth $3.08bn (£1.71bn), while imports came to $3.55bn.

The dispute over the Falkland Islands could mean that warships under construction in West Germany will not be delivered to the Argentine Government, Jonathan Carr writes from Bonn.

A spokesman said yesterday that the Bonn Government would set Argentina a time limit within which to end the invasion of the islands, which West Germany firmly condemned along with other EEC partners.

If the period expired and Buenos Aires had not withdrawn, then Bonn would not permit export to Argentina of submarines and frigates being built in West German yards.

There were no immediate details on the number of vessels under construction, but it is understood that the first ships would not be completed before this autumn. So the restrictions on export, which are specified under the country's arms control law, will have no direct influence on the immediate balance of naval forces in the South Atlantic.

The Bonn Government underlined its support for Britain's interpretation of the Argentine action under international law, and has been highly active on the diplomatic front.

Reuter adds from Vienna: Austrian tank manufacturer Steyr-Daimler-Puch will not go ahead with an order from Argentina. The company said Argentina had an option to buy 27 light reconnaissance tanks after purchasing 57 others in a controversial deal last year.

"Argentina obviously wants the tanks now. But we are not even going to apply for an export licence because it is an area of conflict at the moment, and we are not allowed under Austrian law to sell arms to regions of tension," the company said.

Britons prepare for exodus as fears of conflict grow

BY JIMMY BURNS AND ANDREW WHITLEY IN BUENOS AIRES

AN EXODUS of British representative officers and citizens from Argentina may be about to get under way as fears grow of an impending military conflict.

Many Britons are already crossing over temporarily into neighbouring Montevideo, the Uruguayan capital.

Since last Friday the two British commercial banks operating in Buenos Aires, Bank of London and South America (Bolsa)—the Lloyds Bank International subsidiary—and Barclays Bank, have experienced "substantial withdrawals of deposits" requiring heavy borrowing on the inter-bank market.

A total ban has been imposed by the Argentine Government on the transfer abroad of funds, the first concrete measure taken in response to London's freeze of Argentina's assets in Britain. British businessmen yesterday expressed concern that in the event of war British-owned banks and companies may be expropriated.

Meetings were being held yesterday in the Finance Ministry to clarify details of the sanctions to be applied against British economic interests in Argentina. No directives have been issued yet, apart from the halting of foreign remittances and the closure of foreign exchanges within the country.

The ban on profit remittances will only really begin to bite after June, when many companies close their accounts. Even then, the fact that few companies are currently profitable because of the recession means that the effect will be marginal.

The British embassy yesterday told British subjects resident in Argentina or visiting the country that those who had no pressing reason to stay should leave as soon as possible. There are approximately 17,000 British subjects living in Argentina, many with roots going back to the last century.

Nervousness is growing among the British community, and the consulate says it is being "bombarded with worried inquiries." Some people have been leaving since last Friday, but most seem to be awaiting developments over the next few days.

On the day of the invasion the Argentine Government issued a statement saying that British citizens and property would be respected. Similar assurances have been given to the Falkland Islanders.

Transfers of funds from British banks have been by both companies and private individuals, according to Mr Douglas Fraser, the regional representatives of Barclays International. He believed that some withdrawals were being made for political reasons.

Both Barclays and Midland Banks are moving their representative offices to Montevideo over the next few days. The British Chamber of Commerce said that a number of other recently established British businessmen were also planning to move out of the country.

There were long lines yesterday outside the Buenos Aires branches of Bolsa as customers continued to withdraw their savings. However, a senior British banker said he was sure of support from the Central Bank if necessary.

British diplomats yesterday began to leave Buenos Aires themselves following the break in diplomatic relations. After plans for a charter flight from London fell through, members of the embassy are to leave the country individually by different means.

Calls for peaceful settlement

LONDON—East and West bloc countries urged Britain and Argentina yesterday to settle the Falklands crisis peacefully.

Restraint was urged in several capitals as a large British naval fleet sailed for the South Atlantic.

Among Communist countries, China said neither side should aggravate the dispute and the Soviet Union's attitude was guardedly even-handed.

Moscow and Peking abstained when the UN Security Council last week condemned Argentina's invasion of the islands.

In Brussels, Nato sources voiced concern that the sending of the British armada might leave a gap in the defences of the Western Alliance although none of the warships involved is assigned to Nato.

Mr Michael Mackellar, Australia's acting Foreign Minister, summoned the Argentine ambassador for a meeting which officials said was "short, sharp and forthright."

Pierre Mauroy, the French Prime Minister, said on television: "It is an intolerable situation for Britain and it is natural that the British Government should face up to it in the way it has done."

In Japan, Government officials said Prime Minister Zenko Suzuki told the British ambassador that Japan would support Britain provided it did not resort to force.

The Soviet media have avoided all comment in their coverage of the dispute although their reports have emphasised British military preparations for the recovery of the islands. These have contrasted with details of the Argentine occupation.

Diplomats said Moscow would probably like to side with Argentina, which is one of its leading food suppliers, but is nervous of endorsing the use of force.

A statement from the Chinese Foreign Ministry said Peking "hopes that both sides will exercise restraint . . . and settle the dispute . . . through diplomatic channels."

Both Moscow and Peking refer to the islands by their Argentine name, the Malvinas.

Meanwhile the U.S. pursued its efforts for a peaceful settlement of the dispute

Reuter

ROYAL NAVY—FALKLANDS TASK FORCE

Aircraft carriers	Invincible	19,500t	1981	2 Sea Harriers + Sea King helicopters	GWS 30/Sea Dart, Seacat missiles
	Hermes	23,900t	commissioned 1959	12 Sea Harriers + 9 Sea King helicopters	
Assault ships	Fearless, Intrepid	12,000t	1965-67	5 Wessex helicopters + landing craft	Seacat missiles
County class Destroyers	Glamorgan	6,200t	1966	1 Wessex helicopter	4 Exocet anti-ship missiles + 36 Sea Slug missiles
	Antrim	6,200t	1970		
Sheffield class Destroyers (Type 42)	Sheffield, Coventry, Glasgow	4,100t	1975-78	1 Lynx helicopter	Sea Dart missiles with surface-to-surface capability, Mk 44 and Mk 46, torpedoes
"Broadsword" Frigates (Type 22)	Broadsword, Battleaxe, Brilliant	—	—	2 Lynx helicopters with anti-sub torpedoes	4 Exocet and Sea Wolf missiles + Mk 46 torpedoes
Leander class Frigates	Aurora, Dido, Ariadne, Euryalus	3,000t	1964-73	1 Wessex or Lynx helicopter	Ikara and Exocet anti-ship missiles
Rothesay class Frigates	Plymouth, Rhyl, Yarmouth, Lowestoft	2,800t	1960-61	1 Wasp helicopter	Seacat missiles + Anti-sub mortars
Amazon class Frigates (Type 21)	Arrow, Active	3,250t	1975	1 Lynx helicopter	Exocet and Seacat missiles
Swiftsure class Submarine	Superb	4,500t (dived)	1976		100 Tigerfish Mk 46 anti-ship torpedoes

Sea Dart: triple role area defence weapon system: can intercept aircraft at high and low altitudes; is anti-missile missile; and is used against surface ships. Range at least 30 km. Seacat missiles: anti-aircraft defence and surface target within visual range; 5,500 metres range. Exocet: French built ship-to-ship tactical missile: all weather, low altitude, 38-70 km range depending type. Sea Wolf: short-range self-defence missile system with rapid reaction against aircraft and anti-ship missiles. Copes with severe weather and sea states. Ikara: Australian anti-submarine missile system. Seaslug: long-range beam-riding surface-to-air guided missile system, also has surface-to-surface capability. Range 45 km.

THE PRECISE size of the British task force now sailing towards the South Atlantic remains a military secret. It is believed to comprise more than 20 major warships, including possibly three submarines, as well as a fleet of a dozen supply and support vessels.

The Defence Ministry is also believed to be chartering two P&O cargo ships, as well as three Belfast strategic freighters from Heavy Lift Cargo Airlines to re-supply Ascension Island, being used as a midway staging post to the Falklands.

Britain's task force therefore could outnumber the entire Argentine Navy's comparable warships. The AN's flagship is the 19,800-ton aircraft carrier 25 May, which started life as HMS Venerable in 1945. Several refits since have made it capable of carrying up to four Sea King helicopters and 18 U.S.-built Skyhawk fighters.

The AN's most modern warships are two British-designed Type 42 destroyers armed with Exocet missiles and the versatile British-designed Sea Dart area defence weapons system.

The remainder of Argentina's eight cruisers and destroyers are U.S.-built vessels, for the most part dating from the 1940s and 1950s and now refitted. They are armed principally with the Exocet missile system.

NZ tells envoy to leave

By Dai Hayward in Washington

NEW ZEALAND has broken off diplomatic relations with Argentina and cancelled landing rights for the Argentine airline, Aerolinas Argentinas, which makes weekly flights.

Mr Robert Muldoon, the Prime Minister, said he had told Sr Alberto Aden, the Argentine ambassador in Wellington, to leave within seven days.

Mr Aden had no comment on *his meeting with Mr Muldoon* other than to say that the safety of New Zealanders in the Falklands was assured. Several New Zealand families are farming in the islands.

Later, the Prime Minister said New Zealand would give serious consideration to providing Britain with military support should it be decided to send a multinational force.

The reasoning behind the decision to break diplomatic relations with Argentina was that the islands were a colony *of Britain, Mr Muldoon said.* "The people are British subjects. Their Queen is our Queen."

He described the invasion as "an act of naked aggression of a kind that cannot be tolerated in today's world."

● Tesco, the supermarket chain, is to stop selling Argentinian corned beef. Instructions were issued to 500 store managers yesterday to remove the corned beef from sale until the Falkland Islands crisis has been resolved.

● Weetabix, the breakfast cereal, will be off the menu for thousands of Argentinians, as a result of the Falkland Islands crisis. The cereal company, based at Berton Latimer, Northants., has immediately stopped exports, worth about £25,000 a year of Weetabix to the Argentines.

Argentine military preparations stepped up

By Jimmy Burns and Andrew Whitley in Buenos Aires

ARGENTINA yesterday categorically reaffirmed its sovereignty rights over the Falkland Islands and stepped up its military preparations against a threatened confrontation with Britain.

General Alfreda Saint Jean, the Argentine Interior Minister and chief government spokesman, told reporters that Argentina was still open to negotiations but would "take no step backwards" from what had been achieved.

His statement, delivered after a meeting with Sr Enrique Ros, the Under-Secretary for Foreign Affairs and Argentina's chief negotiator on the Falklands dispute, came amid growing signs that senior military *officials and* a wide section of public opinion no longer considered Britain's military threat a bluff.

In Comodoro Rivadavia, one of the main Argentine bases on the South Atlantic coast, major supply and troop movements to the Falkland Islands continued yesterday for the fourth successive day. C-130 Hercules transport aircraft and Fokker 28 troop carriers are flying shuttle operations to reinforce the occupied islands.

There were reports yesterday that at least one military base on the mainland had been emptied of troops in the last 24 hours.

In the Falklands, the occupation forces are consolidating their positions installing anti-aircraft guns and radar in coastal positions and around the airstrip.

It was also learned yesterday that regular meetings involving local authorities and military personnel were taking place in most of Argentina's southern coastal towns to discuss civil defence measures and organise trial alerts.

Until recently the Argentine leader was believed to have been cautioned by the military authorities to underplay reports on the threatened British military attack on Argentine forces stationed on and around the Falkland Islands.

But yesterday the departure for the South Atlantic of the British fleet was given extensive coverage locally. Parallels were drawn with the British occupation of the Falklands 150 years ago.

Local citizens in Comodoro Rivadavia and also the secondary supply base of Rio Gallegos have expressed growing nervousness about the possibility of a conflict.

Argentine journalists are still being allowed to report from the Falkland Islands but it was announced yesterday that further civilian arrivals on the island would be halted on Friday.

Growing civilian and military tensions in Argentina over the prospect of a British military attack has not subdued a *feeling* of widespread patriotic fervour, which is being avidly promoted by a non-stop barrage of government sponsored propaganda.

Over the weekend all major football matches were preceded by military displays and minutes of silence to mark the deaths of the Argentine soldiers who have been killed so far.

British Royal Marines killed three Argentine sailors in a two-hour battle on South Georgia on Saturday. The fate of the 22 British troops who have since surrendered is unknown but the Argentine military authorities have said that the men would be treated "as intruders in national territory and not as prisoners of war."

The main initiative of Argentine diplomacy, following the condemnation of the invasion by the UN Security Council, shifted yesterday to the Organisation of American States.

Argentina over the weekend formally called for a meeting of the terms of Council of the AS. It would like the organisation to implement the TOreaty of Reciprocal Assistance which requests member countries to come to the aid of any other member in the event of an external attack.

However, diplomatic sources said yesterday that English speaking member countries—Commonwealth countries in the Caribbean and the U.S.—would be reluctant to go along with any such moves.

Meanwhile the U.S. is believed to be still deeply involved diplomatically in an attempt to bring an early solution to the Falkland crisis.

Underwriters consider war risk changes

BY JOHN MOORE, CITY CORRESPONDENT

INSURANCE underwriters in London met yesterday to consider possible revisions of war risk insurance premium rates for ships transporting cargoes to Argentina and the other South American countries.

Lloyd's underwriters, who lead the London insurance community on the rating of ship hull premiums, said they were reviewing the situation on a daily basis. "We can't act precipitately," said one underwriter, "because we have to give 15 days' notice of any change in the rates anyway."

The present standard war risk rates on hulls stands at 0.025 per cent of values. The rates have risen by up to 2 or 3 per cent on ships travelling to the Gulf in the past 18 months.

Yesterday's meeting involved a committee of the Institute of London Underwriters, which represents both Lloyd underwriters and insurance companies operating in London.

Present war risk rates on cargoes transported to Argentina stand at 0.025 per cent of value compared with a standard rate of 0.0275 per cent.

Higher rates are charged on cargoes travelling to Iranian ports—0.25 per cent. For cargoes transported to Iraq, underwriters are allowed discretion. A rate 0.5 per cent of value is charged on cargoes carried to the Lebanon.

The Institute said yesterday that it was looking to take "a certain amount of action" following the Falkland crisis. A statement is expected today.

Governor tells of fierce fighting

BY STEPHANIE GRAY

MR REX HUNT, the former Falklands Governor, said yesterday Royal Marines had killed five Argentinians, injured 17 more, destroyed one armoured personnel carrier with 10 soldiers inside "who never resurfaced" and had taken three prisoners.

Mr Hunt's account of the fighting during last Friday's invasion showed it to have been far more ferocious than has so far emerged. Argentina claims to have lost only one soldier in the three-and-a-half hour battle around Port Stanley and the Governor's residence. The prisoners were taken when they were discovered hiding in the maids' quarters at Government House.

Major Michael Norman of the Royal Marines said the Argentinians admitted only three casualties near Government House, but doctors had told him "a lot" had been evacuated directly to ships.

He described the battle as "very serious" and "a very frightening experience . . . they were 10 yards away." The Falklands forces had been outnumbered by 10 to one.

"We very quickly came to terms with the idea that we were going to die within the next half hour."

Mr Hunt said the invasion had come as a surprise. The British had been caught "wrong-footed" as they had expected Argentine troops to come ashore at a steep beach. Instead they arrived at a shallow place further along the coast.

The Argentine commander had praised the bravery of the Marines and had been courteous, even punctilious, until Mr Hunt had refused to shake him by the hand.

Asked if retaking the Falklands was a practical military proposition, Maj Garrett Noot, also of the Royal Marines, said: "Of course it must be. It is ridiculous to say it is an impractical proposition."

Return from Falklands: Maj Gary Noott (left), former Governor Rex Hunt and Maj Mike Norman

JAPANESE TOBACCO MARKET

Dispute threatens imports of U.S. cigarettes

BY RICHARD C. HANSON IN TOKYO

A LAST-MINUTE temporary compromise has saved Japanese *addicts* of U.S. cigarettes from the threat of going cold turkey later this month, but a controversy over foreign cigarette sales is just beginning to flare.

The prospect of U.S. cigarette supplies drying up loomed after U.S. exporters and the sole Japanese tobacco importer, the Japan Tobacco and Salt Public Corporation (JTS), a government agency, failed to agree on setting the prices in a new one-year contract. The old contract expired on March 31. It was agreed, however, that JTS could "buy" the April supply under the old terms. The possibility of supplies being withheld in May will arise if the two sides do not sort out their differences over *the* next two *or* three weeks.

The three U.S. companies which formed an association to handle export negotiations with JTS (Philip Morris, R. J. Reynolds, and Brown and Williams) are pressing Japan for a 30 per cent increase in the import price they receive for cigarettes (now about Y3,000 (£6.80) per thousand cigarettes). This, they say, would simply bring prices into line with current world prices.

The U.S. companies, however, are also asking that the current retail price in Japan for their cigarettes remains the same. (Foreign cigarettes, under the old agreement reached in 1981, sell at a Y100 premium over the most popular local brand produced by JTS.)

The U.S. request may, at first glance, appear rather unreasonable. What the U.S. is actually seeking is a change in the complicated and, in the U.S. view, unreasonable mix of factors in the pricing formula used to keep imported cigarettes expensive.

First, the U.S. companies are asking for the elimination of a 35 per cent tariff which applies to imported cigarettes. Last year, paradoxically, the tariff on imported tobacco leaf (all bought by JTS) was cut to zero. This gave the JTS-produced brands an "unfair" boost over imports, the U.S. companies *argue.*

Even without a tariff reduction, the companies believe that JTS could go a long way towards granting their 30 per cent price demand without raising the retail prices. Steps could include streamlining the delivery system used for foreign products to cut delivery costs. Foreign cigarettes are shipped once a month to vendors instead of the weekly deliveries of Japanese-made brands. Other savings could also be made without seriously affecting JTS's grip on the market, say the U.S. companies.

The second, and to the U.S. companies, more important long-term issue is winning better overseas access to the Japanese market. The U.S. would probably be willing to compromise on the price issue if allowed a bigger foot in the door. Foreign cigarettes, nearly all U.S. made, take a tiny 1.4 per cent share of the huge Japanese market. This still amounts to a hefty 4.3bn cigarettes a year. U.S. companies (and trade negotiators) feel that a loosening of the market could mean a quick and substantial shot in the arm for U.S. exports to Japan.

Aside from the price difference, the biggest barriers are the *distribution system and* restrictions on market promotion. Foreign cigarettes are only allowed to be sold at 20,000 licensed shops out of a total network of 260,000 licensed shops. There are rumours that the number may be increased (as was the case in the 1981 "liberalisation") but so far no specific proposals have been made.

The Japanese side has so far rejected U.S. demands for a change in the pricing formula and the elimination of the tariff. The JTS *itself* is a powerful force to be reckoned with, with strong political support. The current system is considered essential to keep up supported prices for Japanese tobacco growers. (Though Japan grows most of its own tobacco, JTS ironically buys a large amount of high quality tobacco directly from the U.S.)

It is not clear just how the two sides will resolve their differences. The indications, however, are that whatever compromise emerges will have to *come* from the Japanese equivalent of a smoke-filled back room.

Japan will not widen interest rates gap

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN WILL take no action to widen the present differential between Japanese and U.S. interest rates and may be in a position to narrow the gap further, a senior official of the Bank of Japan told foreign journalists yesterday.

He was commenting on the bank's monetary and interest rate policies in the light of the weakness of the yen.

Yen weakness, the official said, was emphatically not the result of any deliberate Japanese policies, but could he traced to the high interest rate policy *being pursued* by the U.S. Federal Reserve.

He conceded, however, that he personally would probably adopt the policies now being pursued by the Fed if faced with a similar money supply situation and a similar budget deficit.

Counter measures taken by Japan in the face of the yen's weakness include the deliberate squeezing of the domestic money market—with the object of forcing up short term interest rates—together with what the Bank of Japan official described as "rather heavy" intervention of tha Tokyo foreign exchange market.

Asked whether the authorities were likely to go beyond this to invoke the emergency clause in Japan's foreign exchange control law to curb capital outflow, the official said: "Anything could happen."

Despite the fact that it feels it is doing all (or most) of what is in its power to arrest the yen's decline, the Bank of Japan is not claiming that the market is about to recover. Japan's measures would be much more effective if taken in conjunction with "co-operative intervention" by foreign monetary authorities, *the official* said.

Japan is aware, however, that the one monetary authority that really matters, the U.S. Federal Reserve, will not intervene in its market except in an emergency, which is not yet deemed to have occurred.

Despite the fact that it continues to express strong dissatisfaction with the *current* yen exchange rate—of $1 equals Y247.75 at yesterday's close—the Bank of Japan does not believe that the country's exports are about to rebound as a result. Stagnant economic conditions in Western industrial countries, combined with the declining payments position of many Opec member countries and "voluntary *restraint*" of *many individual* products, will prevent such a result, the Bank claims.

It notes that ships have been the only major Japanese export product to show recent growth and attributes this to orders placed several months ago.

Fraser faces formal leadership challenge

BY MICHAEL THOMPSON-NOEL IN SYDNEY

MR ANDREW PEACOCK, the former Australian Foreign and Industrial Relations Minister, yesterday issued a formal challenge to the Liberal Party leadership of Prime Minister Malcolm Fraser.

A meeting of the Parliamentary Liberal Party in Canberra on Thursday will settle the issue.

The challenge follows the Liberals' drubbing in the Victoria state elections at tha weekend, as well as *mounting* criticism of Mr Fraser's policies within his own party and from the Opposition parties.

In Hobart yesterday, campaigning for the Tasmanian state elections on May 15, Mr Fraser said he was glad Mr Peacock had at last stepped forward.

Mr Peacock claimed yesterday there was a "clear need for a new start." He repeated his assertion that, under Mr Fraser's leadership, the Liberals would almost certainly lose the next general election.

Twelve members of the 81-strong Parliamentary Liberal Party are cutting short overseas trips and returning to Canberra for Thursday's meeting.

Among their number, Mr Peacock's support is put at anything from 22 to 40.

Following the Liberals' rout by the Australian Labor Party in the Victoria elections, Mr Peacock maintained that the Federal Government was failing to establish the conditions for economic growth and prosperity.

He wants the Government to cut taxes, reduce Australia's notorious tariffs and protectionism, and produce an effective industrial relations policy.

Mr Fraser has effectively ruled out a change of course,

WORLD TRADE NEWS

Hong Kong official accuses EEC on textiles

BY ANTHONY MORETON, TEXTILE CORRESPONDENT

A BITTER attack on the European Community's approach to trade in textiles was made in London yesterday by Mr William Dorward, Director of Trade, Industry and Customs for Hong Kong.

Referring to the renewal of the Multi-Fibre Arrangement, the agreement which covers most of world trade in textiles and garments, he accused Western governments of taking proportionately fewer goods from the developing world since the MFA was introduced in 1974 rather than more, as had been expected.

Britain's share of such imports from the low-cost countries, he claimed, had dropped to 30 per cent, whereas suppliers from other developed countries had boosted their share of its market to 67 per cent.

He also stated that cut-backs imposed on Hong Kong in 1977, when the MFA was renewed for the first time, had benefited neither the UK industry nor the developing countries. The main beneficiaries, he claimed, had been other EEC suppliers.

Mr Dorward's attack came after meetings in Brussels last week with EEC officials and following talks in London with Department of Trade officials. Today, he is in Geneva to put his case to GATT, under whose aegis the MFA is negotiated.

Hong Kong's bitterness with the EEC is all the more pointed because the colony had just completed bilateral negotiations with the U.S. which it finds tolerably acceptable.

If it could get the same concessions from the EEC in the negotiations which begin on April 19 in Hong Kong, it would be reasonably satisfied.

"The EEC," according to Mr Dorward yesterday, "is calling for a reduction in quotas from those who have the effrontery to be successful.

"If the quotas which are being talked about are applied, this will put Hong Kong back to the position we achieved in 1974 and, in some cases, earlier."

The EEC, Mr Dorward claimed, had adopted a mandate which could be used to give effect to protectionist demands in the Community, especially those coming from the UK.

Kuwaitis reduce LPG sales by third

By James Dorsey in Kuwait

KUWAIT HAS reduced its exports of liquid petroleum gas (LPG) by more than a third, according to Japanese oil executives, who say it is "likely" Kuwait will further drastically reduce its LPG exports.

Kuwait exports 1.5m tons of LPG a year to Japan and a further 280,000 tons to Turkey. But citing "force majeure" Kuwait has cancelled its contracts with Japan, amounting to 620,000 tons a year, due to the reduction in oil production. Kuwait has told its cif contract partners it will try to live up to its contractual obligations.

Kuwait's current LPG production is estimated by oil experts to be 600,000 tons a year. Kuwait has been forced to import LPG from Saudi Arabia's oil company, Petromin, at an estimated rate of 100,000 tons a month since last summer in order to fulfil its contracts. Oil experts say Petromin was supplying Kuwait with LPG at a price below the Government Service Price (GSP).

The executives said that Petromin had stopped supplying Kuwiat with LPG. For this reason Kuwait was forced to declare force majeure on its fob contracts.

EEC sounds out Japan on talks

BY CHARLES SMITH IN TOKYO

JAPAN HAS been "informally sounded" by the EEC on a plan to hold a second "four-cornered" conference on international trade similar to the one which took place in Key Biscayne, Florida, in January.

It has not yet decided definitely whether to participate, according to officials at the Foreign Ministry and the Ministry of International Trade and Industry, despite a public statement by the Prime Minister that the Government has "no objection" to such a conference.

At the first such conference, top trade officials of Japan, the U.S., the EEC and Canada met for two days in the Florida resort of Key Biscayne to discuss ways of preserving international trade and averting the drift towards protectionism.

The atmosphere of the meeting was informal and there were no detailed negotiations on specific trade obstacles. Japan's bilateral surpluses with the U.S. and the EEC, however, inevitably attracted much attention.

The EEC apparently hopes to stage a second Key Biscayne-type conference towards the end of May with the same participants as before.

The four principals were: the U.S. Trade Representative, Mr William Brock; Mr Wilhelm Haferkamp, the EEC Director-General for External Relations; Mr Shintaro Abe, Japan's Minister of Trade and Mr Ed Lumley the Canadian Trade Minister.

Japan dragged its feet over deciding to attend the first conference, largely because of inter-ministerial disputes about the make-up of its delegation. Its reaction to the new EEC initiative, however, appears likely to be much more positive.

Japan apparently sees the four-cornered trade conference as an instrument for defusing tensions about bilateral trade imbalances in advance of the Versailles economic summit.

A meeting at the end of May could also provide it with an opportunity to explain to Western trade partners the contents of a trade liberalisation package which is expected to be introduced earlier in the month.

● Count Otto Lambsdorf, the West German Economic Minister, and Mr Yoshio Sakurauchi, the Japanese Foreign Minister yesterday agreed that the two countries should co-operate in efforts to revitalise the sagging world economy, a Japan Foreign Ministry official said.

During their 40-minute meeting, Count Lambsdorff was quoted as saying that there were virtually no outstanding differences between the two countries. The two ministers also agreed West Germany and Japan should maintain close co-operation in a series of important international conferences this year, including the Versailles economic summit in June.

Vietnam places order for Komatsu trucks

BY RICHARD C. HANSON

VIETNAM has placed a Y1.6bn (£3.6m) order in Japan for large scale dump trucks and bulldozers. The equipment, made by Komatsu, will be used to increase the output of coal, once an important source of export earnings for Vietnam.

The order was received recently by C. Itoh and Company and Shinetsu Tsusho, which specialises in trade with Vietnam. Shipments of 50 trucks and 20 bulldozers will be made in three parts, each to be paid for in cash on a letter of credit basis this summer.

Coalimex, the state-run coal trading company in Vietnam, is the purchaser.

Trade between Japan and Vietnam has fallen since Vietnam invaded Cambodia in 1978. Last year Japan's exports were down 3.2 per cent to $109m while imports from Vietnam were off 23.2 per cent to $33.3m. There have been some signs of life in purchasing from Japan by Vietnam, notably a recent Y1.5bn order for 25,000 tonnes of fertiliser. But a shortage of foreign exchange on the Vietnamese side has been a major bottleneck to expanding ties.

Vietnam is virtually in default on about $200m in trade loans from Japan made in 1977-78 to finance Japanese exports. A delegation from the Bank for Foreign Trade of Vietnam recently visited Tokyo to sound out Japanese banks on the possibility of rescheduling the loans.

The Vietnamese failed to provide the banks with enough information on their country's economic conditions on which to base a rescheduling scheme. The Japanese, however, recognise that rescheduling is inevitable. Vietnam has already failed, since last Autumn, the end of a three-year grace period, to make repayments on the five-year credits. They returned home with some assurance that any more concrete proposals would be considered positively by the banks.

New Delhi eases import constraints

By K. K. Sharma in New Delhi

THE INDIAN Government yesterday announced a further substanial liberalisation in imports of capital goods, raw materials and technology for the coming year.

The object is to enable Indian industry to become more competitive and raise exports by about 25 per cent The new policy thus places emphasis on increased production of manufactured goods for export. It is also intended to lower the protective tariff walls behind which Indian industry has sheltered.

The new policy should please the International Monetary Fund which will soon decide whether India should get the second year's instalment of the three-year $5.8bn loans from the Extended Financing Facility sanctioned last year.

Simultaneous with the liberalisation of imports of capital goods and raw materials, the Government has eased controls and streamlined procedures to enable importers to overcome procedural bottlenecks.

The new policy provides for the unrestricted import of 85 per cent of new items of capital goods and industrial machinery to encourage investment and production in electronics, textiles, dairy, chemicals and printing industries.

Ankara puts 15% tax on Community steel imports

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Community's already strained relations with Turkey have taken a turn for the worse with a "tit for tat" trade skirmish leading to the imposition by Ankara of a 15 per cent tax on steel imports from the EEC worth $150m (£83m) a year.

The Turkish move is seen here as retaliation for a Community decision to impose a definitive 12 per cent anti-dumping duty on cotton yarn imports from Turkey. Community officials claim it runs counter to the EEC's Association Agreement with Turkey and breaches GATT rules.

It is not yet clear whether either side wants to escalate the dispute further. Neither has said that the Association Agreement is at risk.

Member governments may now come under stronger pressure from the European Parliament which favours a tough line against the Turkish military authorities because of their alleged human rights violations and slow progress towards restoring democracy.

So far, the main impact of popular feeling has been to freeze the implementation of a five year $650m EEC financial protocol for Turkey.

Introduction of the new trade measures followed the breakdown of an ambassadorial-level meeting of the Association Council on Friday.

The Turkish Ambassador to the EEC, Mr Cenap Keskin, said then that his Government disputed whether the Community had any legal or economic basis for the anti-dumping duty.

Speaking for the Ten, M Paul Noterdaeme, the Belgian Ambassador, expressed the Community's strong concern at Turkey's intention to retaliate against certain steel imports from the EEC.

The Commission first imposed a 16 per cent provisional anti-dumping duty on Turkish cotton yarn last December. It cited an increase in imports from Turkey from 71,000 tonnes in 1978 to 82,000 in 1981, accounting for 10.8 per cent of the EEC market.

The Commission claims that these imports were often sold at 25 per cent below Community prices. As a result, it says, EEC producers were forced to cut their prices and employment.

Rig fleet 'could outstrip exploration needs'

BY ANDREW FISHER, SHIPPING CORRESPONDENT

A LEADING firm of Norwegian shipbrokers has questioned whether offshore oil and gas exploration will rise fast enough to match the growth in the world's mobile rig fleet caused by the recent surge in orders.

Current order books will lift the semi-submersible fleet by about 40 per cent over the next two years, while those for jack-up rigs represent about half the existing number in use, R. S. Platou says in its yearly shipping review.

"The burning question is, therefore, whether offshore exploratory activity will increase sufficiently to absorb the growth in the rig fleet," the Oslo company said.

Last year there was enough demand for mobile rigs to ensure full employment and to sustain the high rate levels obtaining at the end of 1980.

But after several years with no new orders, more than 50 were being built at the end of 1981 compared with an actual fleet of 120, Platou noted.

On the jack-up side, the order books include nearly 150 rigs against the present number of 305. The biggest market is the U.S., which uses around two-fifths of the fleet.

To meet their short-term needs, said Platou, many oil companies had to accept contracts in 1981 of up to five years to obtain rigs. But contract terms were down to two years by the year-end and rates were easing.

Last year, daily rates for chartering of semi-submersible ranged up to $85,000-$95,000 (£47,000-£54,000). For jack-ups, they were at $15,000-$50,000 for new 300-ft conventional cantilever rigs and up to $65,000 for those built to withstand harsh North Sea conditions.

Platou said a slight weakening of the rig market could be expected over the next few years, however. With oil prices likely to fall in real terms, exploration was not likely to rise by enough to ensure full use of the larger fleet.

State education 'failing in duty'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

"A SERIOUS THREAT" to State education was reported by the independent education inspectors yesterday. They said children lacking academic aptitudes and from poor areas, and non-traditional studies such as technology, were in especial danger.

A survey by the State inspectorate last autumn showed that only five of the 96 English local education authorities were fully meeting their statutory duty to provide for pupils to be taught according to their ages, abilities and aptitudes.

Twelve of the authorities were generally failing in their duty. These — not named in the report — consist of a London borough, four metropolitan districts and seven shire counties.

The other 79 areas were unsatisfactory in at least one particular aspect of provision, such as an adequate range of qualified teachers in so-called "core" subjects, clerical and other support, books and equipment, and maintenance of school and college premises.

Schools were increasingly dependent, even for basic teaching materials, on voluntary contributions from parents. But the result was increasingly marked differences in provision between relatively wealthy and poor districts.

These disparities, the report said, were at odds with the "right" of pupils of comparable ability and aptitude to have "equal access to the basic enabling programme of education."

But most children were still adequately served and the effects on the minority of piecemeal decay of existing provision, and the blocking of important innovations, could not be blamed simply on the Government's cuts in educational spending.

While conditions tended to be better in areas which had maintained or even officially overspent on educational budgets, a prime influence was how effectively individual authorities planned and managed the use of available funds.

Some had concentrated on keeping up employment of teachers — presumably to appease the unions. But the range and quality of schooling was still declining because of disproportionate cuts in books, equipment for science and craft, design and technology, and support staff, and the employment of surplus teachers in some subjects at the expense of staff shortages in others.

The survey indicated that the task of managing effectively was made harder by continuing cuts in budgets and lack of firm directions from central Government on the minimum acceptable levels and balance of staffing and other aspects of provision.

Although technical colleges were generally less stressed than schools, the report said there was much wasteful duplication of courses and a tendency to increase provision for academic studies at the expense of teaching in technology and other vocational courses.

In particular, colleges of further education needed to be told quickly what they would be required to contribute to the Government's new programme for training the young unemployed.

The Effects of Local Authority Expenditure Policies on the Education Service in England, 1981. Free from Department of Education and Science, Honeypot Lane, Canons Park, Stanmore, Middlesex HA7 1AZ.

TDC gives £0.3m to Laser company

By Elaine Williams

Finance for Industry's high technology venture capital subsidiary, TDC, is providing £300,000 for expansion to Laser Applications, a small successful British company.

Laser Applications, formed in 1976, is an offshoot of Hull University and now employs 40 people.

It makes two main products which incorporate lasers. Its main product is called Laserbrand, which is a method of coding products using laser lights. This has wide application in the food, drinks, cosmetics, pharmaceutical and electronics industry.

In the Laserbond marking system, an extremely short pulse of laser light is projected through a stencil and then imaged on to the target arrangement. The company material by a simple lens says that the resulting mark is indelible and can be used on the highest speed production lines.

Professor Stuart Ramsden is chairman of the company. He is also Head of the Department of Physics at Hull University.

Vauxhall-Opel offers support to dealers

BY JOHN GRIFFITHS

VAUXHALL-OPEL joined the new-car price war yesterday with a dealer support programme, called April Bonanza, which will last all this month.

The company would not give details of the extra margin its 700 dealers will have under the scheme, but said it would give them more room to manoeuvre "and remain competitive in the face of any price competition from other manufacturers."

The move is a clear response to Ford's average list-price cuts of 4½ per cent last week on all models but the Cortina.

Demand for Vauxhall's Cavalier has exceeded ability to supply and has required substantial imports from Continental plants — it is excluded from this month's promotion.

But in March other Vauxhall-Opel sales were hit by Ford's special promtion as Ford dealers attempted to meet sales targets which would have provided them with bonuses of up to £400 a sale on popular models.

The result was that after securing more than 11 per cent of the total new car market for four months in a row, Vauxhall-Opel's share has fallen below 9 per cent.

Despite the highly competitive state of the market, Fiat Auto is increasing UK prices of Fiat and Lancia cars by an average of 6 per cent. Increases on the new Miraflori range announced two weeks ago are unaffected. It has yet to announce prices for its new 127 small hatchback range to be launched later this week.

Fiat has had more pricing leeway than most other manufacturers, as a result of its decision at the end of 1980 to cut prices across the board by about 10 per cent in what it described then as a "permanent repositioning" in the market-place.

● Colt Cars has extended its range with the launch of two 127 mph turbocharged models. The Galant Turbo will sell at £9,379; the Sapporo Turbo at £10,158.

Abolition of local rates opposed

By Robin Pauley

LOCAL GOVERNMENT should continue to be financed by rates, but the domestic rating system needs to be reformed before it can continue functioning as the best independent local authority tax, says the Rating and Valuation Association.

In its response to the Government's Green Paper, "Alternatives to Domestic Rates," the association rejects proposals to supplement rates with a local sales tax, local income tax or a poll tax. It contends that all of these are unsuitable.

Advantages of local rates include the fact that land and buildings liable for the tax can be related directly to the local areas in which they are situated; and the tax is open and perceptible, says the association.

This has the effect of stimulating more than a fair share of criticism about rates, because rate payers are acutely aware of how much they pay, which is not the case with income tax or most other national taxes, the association adds.

Reform of the domestic rates should include a capital value basis for assessing dwellings and a system of allowances against national income tax for rate payments. In the interests of fairness and equity, properties should be frequently and regularly revalued.

Although the Government's Green Paper is not concerned with non-domestic rates, the association says that industry and some sections of commerce should be given temporary and properly-controlled relief while the recession lasts. There should also be "mothballing" relief for premises temporarily out of use and some special assistance for new businesses. Agricultural land and buildings should also be brought back into the rating system, the paper proposes.

The association agrees that the principal cause of concern about rates has been the rise of rate poundages in recent years. Although rates have increased by less than the index of average earnings or the Retail Price Index since 1973, changes in the distribution of grant have sometimes resulted in rates going far above the inflation rate in some areas.

Such fluctuations impose a strain on the rating system which no other tax has to bear.

Roger Taylor

HISTORIC Hever Castle in Kent, where Henry VIII courted Anne Boleyn—which led to the formation of the Church of England—is to be sold by the Astor family.

Lord Astor, pictured yesterday with his wife in the grounds of the castle, confirmed the estate is for sale. He said that with no member of his family likely to live there, the retention of the estate—which came into the family in 1903—could no longer be justified.

Hever dates back to the end of the 13th century and, despite its colourful past, boasts no ghosts. It does, however, have many 20th century trappings, not least an electronically operated drawbridge.

Sale of the 3,145 acre estate, which has a 35-acre lake, is being handled jointly by Savills' London office and Sotheby Parke Bernet International Realty Corporation in New York. The agents have valued the property at £10.5m.

The castle houses some of the finest medieval and renaissance works of art, tapestries, armour, furniture and historical portraits and documents.

Petrol price war 'ending'

By Sue Cameron

SHELL, ESSO and BP Oil, the giants of the domestic petrol market, believe the 15-month-old price war at the pumps may be ending. They say the 5p-a-gallon increases they introduced two weeks ago are holding up, aided by a $20-a-tonne rise in the spot market price of petrol.

Last night BP Oil said the 7 per cent rise in spot market petrol prices could herald an increase at the pumps in the next few weeks.

It stressed the oil industry wanted average petrol prices to rise by at least another 5p a gallon and preferably by 9p or 10p.

Two days after last month's Vienna meeting of the Organisation of Petroleum Exporting Countries, Shell said it was cutting subsidies to petrol dealers, to raise average prices per gallon from 154.5p to 159.5p.

The other major petrol companies followed suit. All claimed to have been making substantial losses on their refining businesses, as a result of the recession, the world oil glut and the price war at the pumps.

Yesterday, however, BP Oil said the new average four-star price of 159p to 160p a gallon was sticking fairly generally across the country. The company said it was now just about back in the black on its petrol sales, ignoring the £34m cost of closing its Kent refinery, due to shut in June.

Both BP and Shell said some garages were still selling petrol at about 157p a gallon. Shell, however, said such dealers were few and far between and their number seemed to be falling. "Everyone has had more than enough of simply giving petrol away," said Shell.

Easter traditionally marks the start of the motoring season. Next weekend will be the crucial test for the industry's new, higher petrol prices.

Industry experts say expectations of a seasonal upswing in petrol demand are responsible for the way Rotterdam spot market prices have hardened over the past two weeks.

Spot petrol prices have risen from $280 a tonne to $300 a tonne. Until the end of last month they had been dropping steadily. At the start of the year they were about $380 a tonne.

Jobs boost for Glasgow

MORE THAN 300 jobs will follow from the development of a £5m precision optics production unit at Barr and Stroud's factory at Anniesland, Glasgow.

Yesterday Mr George Younger, Secretary of State for Scotland, described it as "a splendid illustration" of the expansion the Government is seeking.

Barr and Stroud employs 2,000 people producing precision optics, which range from periscopes and tank laser range-finders for the defence market to lasers for medical treatment.

Mr Younger, who opened the new 45,000 sq ft environmentally controlled building—part of a £13m investment programme—said that Barr and Stroud had kept ahead because of its introduction of new technology.

BT sets cable record

BRITISH TELECOM is claiming a world record in optical fibre technology with the transmission of the equivalent of 8,000 simultaneous telephone calls along 20 miles of optical fibre cable laid in the ground, without any intermediate amplification.

The system runs between BT's research labs at Martlesham and the first System X exchange in Woodbridge and was installed with GEC Optical Fibres and Telephone Cables (TCL), also a GEC subsidiary.

In February BT claimed another world record by sending 2,000 telephone calls over 102 kilometres of fibre without boosting, in laboratory conditions.

ABTA triples personal cover

THE ASSOCIATION of British Travel Agents (ABTA) has tripled the level of personal accident cover on its ExtraSure package holiday insurance from £5,000 to £15,000 at no extra cost to travellers.

The association's retail agents council has responded to a Commons debate in March in which Mr John Heddle, Conservative MP for Lichfield and Tamworth, raised the question of increased personal accident cover.

Mr Ray Bernstone, a member of ABTA's national council and its insurance negotiator, said that in increasing the cover "we took into account the fact that personal accident insurance must account for inflation." ABTA is meeting the extra cost.

The increased cover will apply to all future policies and to all ExtraSure package holiday cover purchased since November 1 last year for travel on and after April 1 this year.

Lloyds underwriter case heard in camera

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

AN APPLICATION concerning a pending move to expel a Lloyd's underwriter from the insurance market was heard behind closed doors in the High Court yesterday.

Mr Reid Wilson faces expulsion following a Lloyd's inquiry and arbitration which studied the trading relationship between syndicate 566, which Mr Wilson headed, and the Christopher Moran group, a Lloyd's insurance broking company.

Lloyd's has decided to defer a members' meeting to decide whether Mr Wilson should be barred from "acts and defaults discreditable to him as an underwriter," until the conclusion of an outstanding arbitration against Mr Moran, which is not expected to end for several months.

Mr Wilson, who cannot operate at Lloyd's until the members have reached a decision, wants the meeting to take place as soon as possible.

Yesterday, Lloyd's went to court to seek a ruling on the validity of a requisition, signed by 27 members, calling for a meeting to consider Mr Wilson's case.

When the hearing began, Mr Mark Littman QC, for Mr Moran, told Mr Justice Dillon that he wanted to apply for the hearing to be in camera.

As Mr Littman started to explain the grounds for his request, the judge asked if he would like the preliminary application to be dealt with in private.

Mr Littman said that he would. The court was closed to Press and public and remained closed for the substantive application.

The hearing is expected to end today when, it is understood, the judge will decide whether to give his judgment in private or in open court.

Judges have a discretion to hear in private matters that would otherwise be in open court, if they, or some or all of the parties concerned, consider that justice would best be served by excluding the public.

Sub looks for oil platform pins

BY MARTIN DICKSON, ENERGY CORRESPONDENT

A MINIATURE submarine equipped with a camera was scouring the seabed in the North Sea last night for several 350-ft long steel piles involved in an accident last week at British Petroleum's Magnus oilfield.

The accident happened as the 40,000-tonne steel base for the Magnus platform was being positioned after being towed from its construction site in the Cromarty Firth.

Several piles, huge pins to secure the platform to the seabed, became detached in this delicate operation. This upset the balance of the steel base. It became incorrectly positioned for final emplacement on the seabed, wallowing at an angle 20 degrees to the verticle.

BP used computers to discover the best way to restore the platform to an upright position. Ballast was added to parts of the structure which had lost pins and the base was placed successfully on the seabed at noon on Sunday.

The company said yesterday it was trying to recover the steel pins from the seabed and to use them to secure the platform.

Cuts in radio-active waste sought by ecology group

BY DAVID FISHLOCK, SCIENCE EDITOR

LARGE REDUCTIONS in discharges of certain types of radio-activity from the Seascale (formerly Windscale) factory of British Nuclear Fuels in Cumbria are recommended in a report from the Political Ecology Research Group.

The Oxford-based environmental consultants in a report commissioned by Greenpeace, the environmental group, call for a reduction by a factor of 10 at least in discharges of beta and gamma radiations, exclusive of tritium, from the factory. It also recommends the dose-limit for the critical group be lowered to 100 millirem, compared with 500 millirem.

It calls for these reductions to be made in advance of any cost-benefit studies, which it says might produce either still tighter or more relaxed maximum levels for discharges.

These recommendations are made on the basis of claims that there is new evidence of plutonium, formerly believed to be locked up in seabed sediments, finding its way back into food chains.

On ocean dumping of low-level radio-active waste—the report says there is no evidence of health effects from past disposals. It alleges, however, that recent monitoring shows radio-active contamination of the seabed from leaking containers.

Oceanographic and radio-ecological data are inadequate to predict effects "especially having regard to the steadily increasing quantities being dumped."

The report claims Britain, "which accounts for 95 per cent of sea-dumped radio-activity," sees the ocean as a cheap and politically useful option for disposing of all kinds of radio-active waste.

Plans for indexing gilts and tax 'need further study'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE QUESTION of indexing the tax system and government debt against inflation raises many important issues which need to be examined further, the Treasury and Civil Service select committee said yesterday in its report on the March 1982 Budget.

The committee said the most innovative moves in the Budget were the proposal to charge only future real gains to capital gains tax and the removal of restrictions on the purchase of index-linked gilt-edged securities.

These measures, the committee says, raise three issues which require further examination:

● The extent to which the issue of index-linked gilts will affect other financing in the public and private sectors;

● The implications for public borrowing of the substitution of index-linked for non-indexed gilt-edged securities; and

● The possibility of more indexation measures.

The committee says it will conduct an inquiry of its own into these and related issues. It concludes: "We consider there is a need for the Government to spell out their long-term objectives for the indexation of the financial and tax systems."

It welcomes the elimination of capital gains tax of inflationary gains. It says the Government has previously tried to enhance the attractiveness of its own debt by exempting its securities from capital gains tax. The Budget measures, the committee says, have gone some way to redressing the balance between public- and company-sector capital issues.

On the other hand it points to the possibility that index-linked gilts might prove an attractive alternative to investment in equities and corporate debt, particularly because companies may be deterred from issuing their own index-linked stock, by present tax considerations and an unwillingness to incur liabilities of an unknown cash size.

The committee says the extensive issue of index-linked government securities might have a substantial impact on banks and building societies, although it believes there are no legal restrictions on companies, building societies or local authorities which prevent them from issuing index-linked stock.

The committee says the issue of index-linked stock will have cost-implications for the Government because it will remove the so-called inflation tax: "That element of interest payments that represent compensation for inflation will no longer be taxed, and tax revenue will fall.

"Essentially the Government will no longer be taxing interest needed to maintain the real value of capital. It will have removed a rather arbitrary tax on capital. The revised capital-gains tax rules work in the same direction."

The committee believes the bulk of the yield from capital gains tax, estimated at £540m in 1981-82, could be at risk.

It says the estimation of the public sector borrowing requirement has been confused by the introduction of index-linked gilts. The substitution of indexed for conventional gilts has the effect of reducing the cash outlay on interest payments in the years before maturity. A saving of £350m to £400m in debt-interest may be the result of current levels of indexed stock.

It says, however, that the question is immediately raised as to whether the public borrowing target should be adjusted accordingly. For consistency the whole of the PSBR could be expressed in inflation-adjusted or "real" terms. This would make it appear smaller than at present.

Alternatively the present practice could be continued but with provision added for the capital uplift resulting from the indexation of some government debt.

On a more general assessment of the Government's last Budget the committee says the total impact of the measures, including those announced last December, will be to make the fiscal stance for 1982-83 neither looser nor tighter than it was the previous year.

This, however, was in contrast to the projections of the first Medium-Term Financial Strategy document two years ago. It suggested that by this year public borrowing would be cut to 2¼ per cent of output.

Fourth Report from the Treasury and Civil Service Select Committee, Session 1981-1982—The 1982 Budget: SO.

Plan to inject £500m into housebuilding projects

THREE organisations yesterday launched a joint venture designed to inject about £500m into the UK building industry.

"Campaign '82" is being promoted by the Federation of Master Builders, the Bradford and Bingley Building Society, and Magnet and Southerns, manufacturer of doors and timber windows.

It will cover general home improvement, refurbishment in housing action areas, joint venture housing schemes, and the upgrading of new building through homes supplied with many of the ancillary fixtures included.

The Bradford and Bingley Building Society will make £200m available this year as part of the campaign. The money can be given in 100 per cent advances where appropriate.

Mr Geoff. Lister, B. and B. general manager, said in London yesterday that the society's total projected lending this year was between £500m and £600m.

OBITUARY

Sir Alexander Spearman

SIR Alexander Cadwallader Spearman, who died suddenly yesterday, was for many years the senior partner of stockbrokers Grieveson, Grant. He was also for 25 years the Conservative MP for Scarborough and Whitby, and served at the Board of Trade in 1951-52.

But he will be chiefly remembered in the City for his role in the post-war years in establishing Grieveson, Grant as a force in the broking community.

He was born in 1901 and educated at Repton and Hertford College, Oxford. He started his City career with brokers Buckmaster and Moore, where he was a contemporary of John Maynard Keynes.

In 1928 he moved to Grieveson, Grant, then a small partnership, and 13 years later he became its senior partner, a position he held from 1939 until 1957.

Prevented by a leg injury in his youth from serving in the war, Sir Alec entered the Commons in 1941 after two unsuccessful pre-war by-elections. After the war he used his wide contacts in Whitehall, Westminster and the City to help to build up the institutional business of his firm.

A devoted family man, Sir Alec was described yesterday as a remarkably successful stockbroker who had kept his finger on the pulse of the market until the day he died.

He leaves a widow, Lady Diana, four sons and a daughter.

Ministers, TUC likely to clash over productivity

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A SHARP debate between the Government and union leaders over economic policy is likely at the National Economic Development Council on Wednesday, when it considers the prospects for permanent improvements in productivity and alternative methods of boosting the economy.

The National Economic Development Office is presenting a paper to the council which indirectly criticises Government Ministers for being over-optimistic about productivity gains.

The Treasury is presenting a heavily qualified report on how some TUC policies would fare in practice, according to its computer model on the economy.

The NEDO paper acknowledges that there is some "qualitative evidence of new and fundamental changes" which could alter the UK's long-term productivity growth trend. But it says that this evidence, which is often quoted by Ministers, "has not been reflected to any appreciable extent in aggregate statistics on productivity."

The thinking behind the paper is that there is little evidence that British industry has changed permanently from its poor productivity record in the 1970s.

But it acknowledges that output per head in manufacturing industry rose 10.6 per cent in 1981, the best annual improvement since 1964.

The paper concludes by asking what evidence there is that the recession has induced positive changes which will survive in periods of economic growth.

The Treasury will argue that long-term economic improvements will be caused only by higher productivity and smaller wage increases. Its paper is based on running some of the TUC's policies through its computer model.

Sir Geoffrey Howe, Chancellor of the Exchequer, is likely to stress that the TUC's proposed £2bn boost to public sector capital spending would cut unemployment by less than 100,000 for a year or two and then lead to higher unemployment in the long term because of higher interest rates and inflation.

This forecast follows Government policy and is broadly in line with estimates by the National Institute of Economic and Social Research that a £5bn boost in public spending would create only about 250,000 jobs in the short term.

Union leaders will argue that the Chancellor has been unfair in putting only isolated items through his computer instead of the TUC's full £8bn Budget demand.

The reason the smaller amounts were studied is that the TUC had not finalised its Budget demands when Mr Len Murray, TUC general secretary, suggested at the January council meeting that the calculations should be done.

Prior's plan tells Ulster politicians to get on with it

Margaret van Hattem examines the end of a chapter in British history

IN MARCMH 1972, when intercommunal tension finally exploded the one-party dictatorship which had governed Ulster for 50 years, the Heath Government imposed direct rule and began trying to sort things out.

Since then, 10 successive British governments have tried to reconcile the Province's Catholic and Potestant communities.

Mr James Prior's White Paper on Northern Ireland represents the end of that tactic. Its message is clear. The Government no longer believes the two communities can be reconciled and no longer accepts responsibility for cajoling them into a solution. Now it is up to Ulster politicians to work out a *modus vivendi*.

The White Paper makes two fundamental points which, in the context of the past 10 years, appear radical:

- It says: The British Government's duty is to arbitrate in attempts to find a solution but not to initiate one; and,
- It recognises the Dublin Government's right to be standing by ready to help.

The constitutional proposals are no surprise. Mr Prior and his ministerial team have thought aloud over recent months. Their ideas have been aired in the media. They are offering the Ulster politicians the following do-it-yourself devolution kit:

- An elected Northern Ireland Assembly will be established with responsibility for working out an acceptable system of government.
- Power will be transferred to the Assembly when about 70 per cent of its members, representing both sides of the community, support its proposals;
- Power can be devolved step by step or all at once;
- Meanwhile, the Assembly will set up committees with power to monitor and scrutinise the work of the Northern Ireland departments.

These proposals provide only the framework within which Ulster politicians must find their way.

Some may accuse the Government of opting out but none could accuse it of trying to fudge the issue. The heart of the problem in Northern Ireland, the White Paper says, is the difference in identity and aspiration between those who think of themselves as British and those who think of themselves as Irish.

"The Government recognises that the sense of the two identities is an important and continuing reality of social and political life in Northern Ireland. Proposals for the political progress necessary for restoration of economic stability and improvement of security must take account of these differences. Nor is it possible to ignore the intensity of feeling generated between the two sides.

"The object of the Government's proposals is to point to a way whereby in spite of their acknowledged and continuing differences, the two sides of the community may achieve sufficient mutual respect and make sufficient accommodation to participate more creatively in the public life of the Province."

Last year's hunger-strike appears to have dashed hopes of building a non-sectarian centre coalition. It showed that at moments of intense stess the old instincts will predominate. The Government appears to have learned the lesson.

The word "reconciliation" is not mentioned. The paper speaks of "acceptance" and "accommodation" and argues the case on the ground of economic necessity.

"Until Ulster men and women are seen to be tackling their political problems," it warns, "confidence outside Northern Ireland in the stability of the Province as somewhere in which to invest is undermined."

The Government insists it is seeking to do no more than establish a broad framework "designed to be resilient so that strains and even reverses can be accommodated within the constitutional arrangements."

It reaffirms the guarantee in the Northern Ireland Constitution Act 1973 that Northern Ireland will continue to be part of the UK as long as a majority wish. It points out for the first time, however, that UK membership imposes on the people of Ulster an obligation to fellow citizens in England, Scotland and Wales.

"The people of Great Britain will expect Northern Ireland political parties to respond constructively to the new opportunities which the constitutional proposals offer. The rest of the UK looks to Northern Ireland to come to terms with its political problems."

This is obviously aimed at the Unionist majority. In effect Mr Prior has devolved to the Unionists the responsibility of striking a deal with the Catholics, with the promise of power only when that responsibility has been carried out.

The paper accepts implicitly that in the initial stages of devolution the role of the Catholics may be essentially passive. It does reveal, however, a remarkable shift in the Government's perception of their rights.

It recognises their right not to be loyal to the Crown. "In a free society the advocacy of change, including fundamental change in the institutions of authority, is a legitimate activity if pursued by peaceful persuasion and not by violence.

"So long as the existing institutions of the state are respected, those who favour change should not be barred from playing a full part in public life."

In stressing that "acceptability to both sides of the community" is a prerequisite for any form of devolution, overriding the provision for 70 per cent support, the paper recognises as "right in itself and unavoidable in practice" the minorities *de facto* power of veto.

The paper also recognises as "inevitable" the link between the two Northern Ireland communities and the London and Dublin Governments. It proposes that the two parliaments now consider formalising these links at parliamentary level within the context of the recently-established Anglo-Irish Council.

"The Government would expect the arrangement to enable members of the Northern Ireland Assembly to participate if they so wished," it warns any Unionists planning to use their Assembly majority to veto links with the Council.

The Catholics, represented by the Social Democratic and Labour Party and supported by the Dublin Government of Mr Charles Haughey, say the proposals are unworkable—partly because they do not believe Northern Ireland is a viable political entity and partly because they do not believe the Unionists will ever concede an effective power-sharing arrangement.

In the perspective of the past ten years this is understandable. For the offer to the Unionists of power—if they were prepared to share some of it with the minority—has been implicit all along and they have never accepted it.

Mr Prior recognises that political stalemate has been a major factor in the decline of the Northern Ireland economy. "The people are no less concerned about jobs, wages, schools and health than elsewhere in the UK," the paper says.

The evidence for this, however, is slight. These issues may surface in public debates in the Province but they are not election issues or vote catchers.

At this stage it looks as though all the main parties will contest the Assembly elections. The committee system has been designed to keep the Assembly alive pending a deal between the parties and they may decide to participate in it.

The question is whether stalemate at that stage would worsen matters. The SDLP, the Dublin Government and even some members of the British Government fear that it would, in that it would preclude yet another attempt at a settlement for several years. Mr Prior's paper, however, suggests this may be the British Government's last attempt along these lines.

If it fails, public opinion in Britain may finally accept what the Northern Ireland Catholics have argued all along—that a purely internal settlement cannot work.

The only alternative to continuing stalemate, violence and economic decline appears to be an enlarged role for Dublin in finding new arrangements. The Loyalists have been warned.

BAe 146 jet-liner may go on sales tour of Japan

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE THIRD British Aerospace BAe 146 four-engined feeder-liner has made its maiden flight. It is hoped the aircraft will win an Airworthiness Certificate by the end of this year.

The first two aircraft have completed about 320 hours flying, and the flight test programme is going well, says British Aerospace.

The BAe 146 is designed to carry up to 109 passengers over short distances from rough airfields. It will serve small communities and act as a regional feeder-line.

Development and production is costing British Aerospace about £350m, of which some 80 per cent will have been spent by 1984. The aircraft is in quantity production, with the ninth now taking shape on the Hatfield, Hertfordshire, assembly line. Parts of many others are in preparation.

There are 10 firm orders for the aircraft with 12 options. Negotiations involving another 30 are in progress world-wide.

The plane will make two major overseas sales tours after September's Farnborough air show where it will be seen by the public for the first time. One tour may be as far as Japan where there is strong interest in the aircraft as a possible replacement for the large numbers of YS-11 turbo-prop passenger aircraft.

Customers have already praised both the quietness of the jet, and its reliability in the flight test programme.

Mr Prestin H. Wilbourne, president of Air Wisconsin of the U.S., said it had confirmed his high expectations, while Mr Terry Ashton, president of Pacific Express also of the U.S., said he is discussing ways to obtain an earlier delivery than planned.

- Field Aviation, part of the Hunting Group, is to spend about £3.5m on a new engineering complex at Heathrow Airport, London, specifically for the support of business aviation.
- British Caledonian has signed an exclusive fly/drive agreement with Hertz offering special car rental facilities to the airline's passengers in 115 countries.
- The British Airports Authority is hoping to convene a major conference this summer, to discuss ways of improving cargo facilities at its airports, especially in the London area.

Mr Norman Payne, chairman of the authority, says that while Heathrow is Britain's biggest port in terms of the value of goods passing through—more than £16bn in 1980-81, or 16 per cent of the nation's total trade—"it is high time the industry as a whole combined to consider how best to exploit and promote the advantages that London's airports offer the cargo shipper."

Synthetic insulin plant opened on Merseyside

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE UK's first biotechnology plant using genetic engineering on a commercial scale was opened yesterday at Speke, on Merseyside.

It represents a £5m investment by Dista Products, part of the U.S. company Eli Lilly, for the biosynthetic production of human insulin (BHI).

The aim is to prevent a shortage of insulin (used in the treatment of diabetes) which would almost certainly have occurred in the next 10-15 years.

Clinical trials on the product are being carried out at hospitals and the company has applied for a product licence in both the UK and the U.S., where a similar plant, at Indianapolis, is at the same stage of development as the Speke site. Speke will have an annual output capacity of several hundred kilos of insulin. The U.S. plant is even larger.

The Speke plant, opened by Mr Michael Heseltine, Environment Secretary, represents a further significant step in the use of micro-organisms, mainly bacteria, to produce compounds required in medicine.

This type of biotechnology will have major ramifications in farming and the foodstuffs industries as well as low energy processes in the chemical industry.

Altering the genetics of micro-organisms by restructuring their DNA—the genetic building block—is now being undertaken in laboratories to produce Interferon for cancer treatment testing.

Insulin is used for controlling blood sugar levels in diabetics, who are estimated to number 1.2m in the UK alone. Diabetes is the third most frequent cause of death, after heart disease and cancer, in industrialised countries.

Hitherto, insulin-dependent diabetics who do not produce enough of their own natural insulin have used insulin made from the pancreas of pigs and cows.

The supply of this insulin depends on the number of animals slaughtered for meat. The expected shortfall of insulin was due to occur because the world population is rising, the proportion of diabetics is increasing even faster, and diagnosis in the Third World continues to improve.

Insulin from cows and pigs differs from human insulin in molecular terms, but biosynthetic human insulin is completely indistinguishable from insulin produced normally in the human body.

The clinical tests now under way are partly designed to see if BHI has any specific benefits over insulin produced from animals.

Mr Heseltine, who last year formed a task force to tackle Merseyside's inner urban problems, said yesterday that Dista was a success story and it was important that companies like it were operating in the area.

Tories divided by Carrington's resignation

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

THE resignation of the Foreign Secretary and his two colleagues has shocked and divided Conservative MPs. It is also a further blow to the already battered morale of the Conservative Party outside Westminster.

Some Conservative MPs were relieved that the Foreign Secretary had "done the honourable thing" but many moderates were dismayed at losing Lord Carrington from the Cabinet.

Nevertheless, there seemed to be general agreement that if there had to be resignations, it was right they should be at the Foreign Office.

Only a few, isolated voices in the Conservative party were continuing to call for the resignation of Mr John Nott as Defence Secretary.

Mr Nott also offered to resign on Saturday after his humiliating performance in the Commons, yesterday got the backing of the officers of the Conservative backbench defence committee.

At a private meeting yesterday morning, they told him that it was essential he remained and that it would be quite wrong for him to resign as the military operation was about to be launched.

Nevertheless, some Tory MPs privately predicted yesterday that Mr Nott would have to go if Britain failed to regain the Falkland Islands.

Mrs Margaret Thatcher, Prime Minister, tried over the weekend to persuade Lord Carrington to stay. Several Cabinet colleagues also tried to dissuade him, but he apparently decided that some "expiation" was required if the passions in the party over the Falkland Islands were to be contained.

Once he had decided to go, his two colleagues at the Foreign Office, Humphrey Atkins and Richard Luce, apparently felt that their only honourable course of action was resignation.

The shock of the resignations yesterday seemed to have taken some of the heat out of the calls for war. There were some signs of Tory MPs privately beginning to question the wisdom of invading the islands.

Mr Edward Du Cann, the chairman of the Conservative 1922 Committee, who was deeply critical of the Government's handling of the situation in the debate on Saturday, said yesterday he "much regretted the resignations."

His views were shared by MPs on all sides of the party, but generally it was the moderates who were most dismayed by Lord Carrington's departure.

They said he had been a superb Foreign Secretary—as shown, above all, by the Rhodesia settlement. They added that there were not enough real statesmen, of international calibre, in the Tory Party today for it to be able to get rid of Lord Carrington.

Their concern also reflects that Lord Carrington's resignation means that the "wets" have lost their most distinguished, if not always particularly energetic, Cabinet representative—and one greatly respected by Mrs Thatcher.

Other MPs said yesterday that in the circumstances Lord Carrington had done the right thing as he had lost the confidence of the party. They argued that the Foreign Office must be held responsible.

Some right wingers have privately felt for some time that Lord Carrington was selling Britain short, and have nursed a grudge against him since the Rhodesian settlement.

Britain seeks EEC response over invasion

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BRITAIN IS consulting with its EEC partners in an attempt to get a co-ordinated economic response against Argentina over the Falklands invasion, Mr John Biffen, speaking as Trade Secretary, told the Commons yesterday.

He also said that the P&O liner Canberra was transferred to Royal Navy control yesterday under contingency plans to meet national emergencies.

He said: "Other ships will be requisitioned and chartered as necessary."

Mr Biffen was far from optimistic about the effect which the dispute will have on UK trade.

He added: "It is perfectly true that any interruption of trade which derives from confrontations such as this results in losses to a very large number of companies and people.

"This has been true historically and I have no doubt it will be equally true on this occasion."

He added that other economic measures are being urgently examined in addition to the already announced freezing of Argentine assets and the stopping of new export credits.

British companies, he said, were being advised not to enter into new commitments with Argentina and British citizens not to travel there. UK companies were also being told to withdraw their non-essential staff from that country.

"British firms must decide what action they should take in relation to existing commitments in the light of the present circumstances, the measures which have so far been announced and the terms of their own individual arrangements with Argentine firms," he added.

Mr Biffen was answering a private notice question from Sir Peter Emery (Con., Honiton) who wanted to know if companies with existing commercial contracts with Argentina should continue deliveries.

Sir Peter also asked what action was being considered to stop Argentina obtaining from other countries spare parts for British-made equipment.

Mr Biffen told him that there was no general ban on exports to the Argentine from the UK. There was a ban on the export of arms and spares "and undoubtedly we will do our utmost and expect our allies to assist us in that prohibition."

Mr John Fraser (Lab. Lambeth Norwood) a trade spokesman, asked what compensation and protection would be forthcoming for British companies and workers affected by sanctions and interruptions of trade with Argentina. He asked if the losses of the Export Credits Guarantee Department would be borne by the Government and not by exporting companies.

Mr Biffen told him that on these points the same conventions would apply as under previous governments.

Mr Fraser demanded that any sanctions should be in proportion to the gravity of the situation and Mr Biffen said this would be taken into account.

For the Liberals Mr Russell Johnston (Lib Inverness) asked if he could confirm that a trade embrago would be 10 times as injurious to Argentina as to Britain.

But the Trade Secretary told him that Argentina accounted for 3 per cent of UK exports while we took the same percentage of their exports.

There was a suggestion from Mr Kenneth Warren (Con Hastings) that the Government should make urgent representations to France, Italy and the U.S. over their arms sales to Argentina.

Sir Derek Walker-Smith (Con Hertford East) thought British companies who had entered into contracts with Argentina would be well advised to plead the doctrine of "frustration" for the non-fulfilment of the contracts.

This is a legal term under which a contract is deemed to have been discharged as a result of an unexpected act which could not reasonably have been foreseen.

Pym as a unifier is natural choice for Conservatives

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

THE IRONY of Mrs Thatcher's appointment of Mr Francis Pym as Foreign Secretary is that she has turned in her hour of need to the person that the Conservative Party is most likely to turn to if she lets them down.

Long before the Falkland Islands crisis blew up, Mr Pym's name was being floated by his friends on the Tory benches as the man best equipped to unite the Tory Party as leader if Mrs Thatcher lost the next general election.

In some ways, Mr Pym is the natural man for the Conservative Party to look to at a time of crisis. A very conventional, rather colourless figure, he is in a reassuringly familiar mould of Conservative politicians who used to run the party before Mr Heath, and his breed of self-made men, came on to the scene.

The son of a former whip, he is a gentleman and a member of the Conservative squirearchy (sic). He had nothing like the statesmanlike reputation of Lord Carrington but he does have that elusive quality of political "weight."

Devious streak

The adjective most frequently used to describe him by his admirers is "honourable," though there is also a devious streak in him and he can be very cunning—at least his beady eyes give that impression.

His strength in political terms is that his support straddles both sides of the party.

He is a "Tory" of the old school, and has little sympathy with monetarism. But though he has tended to side with the "wets in Cabinet" on economic issues, he has, unlike Mr Prior or Mr Walker, succeeded in being branded forever as a "wet."

His detractors say this is because he has no real political philosophy of his own and he moves with the political wind. But his admirers see this as an example of his innate political skill.

Nevertheless, he by no means always gets on with Mrs Thatcher. She was annoyed by the way he used the media to back up his campaign against defence cuts when he was Defence Secretary, and more recently the very frankness for which he is admired by some MPs, got him into trouble with the PM when, shortly after Christmas, he publicly contradicted the optimistic line on the economy coming from Downing Street with a typically gloomy prognosis of his own.

Mr Pym was said to be very hurt by the way the PM disowned his speech, but there is said to be very little love lost between them. His loyalty is to the Conservative Party, rather than to her. For this reason, there was speculation yesterday that she did not dare risk appointing him to a position of such power in the Conservative Party.

Committee power

But his experience made him the obvious man for the job—assuming that Mr William Whitelaw could not, or would not, be moved from the Home Office. Mr Pym was briefly Shadow Foreign Secretary just before the last general election.

When Mrs Thatcher decided Mr Pym had to be moved from the ministry of defence, she switched him to leader of the House in place of Mr Norman St John Stevas. Mr Pym did not share all Mr St John Stevas's enthusiasm for reform, but he has played a role in developing the power of select committees.

Mr Pym, now 60, came into Westminster in 1961. He had an 11-year stint in the whip's office, ending up as chief whip between 1970 and 1973. He then followed Mr William Whitelaw briefly into the Northern Ireland Office.

Tough whip

During his period in the whips office, Mr Pym showed that he could be quite tough, and that he did not suffer fools gladly. He is known for his ability to put down his lesser colleagues with brief, biting remarks. Tact, says one of his friends, is not his strong point. Nevertheless, he has relatively few political enemies. His main disadvantage for the job of foreign secretary was seen by Tory MPs yesterday as his lack of international standing.

His appointment, however, is likely to go down well with the party at Westminster where he is seen as a truly patriotic figure. He has, however, an awesome job ahead of him restoring the party's morale. If he succeeds, his leadership chances will be greatly enhanced. If he fails, ironically, both he and Mrs Thatcher could go down together.

Portsmouth crowds line the harbour as HMS Invincible sails for the South Atlantic

Thatcher reaffirms confidence in Nott

TEXTS OF letters exchanged between Mrs Margaret Thatcher and her ministers in the aftermath of the Falklands invasion were released yesterday. Mr John Nott said in his brief hand-written letter:

"Dear Prime Minister: In view of the public reaction and now that the task force has sailed, I would like to confirm the message which I have already sent to you that I wish to put my office at your disposal."

In her reply, Mrs Thatcher said:

"Dear John: I understand entirely the honourable feelings which led you to write as you did. It was the only course open to you.

"But the Ministry of Defence is not the department responsible for policy towards the Falkland Islands.

"I wish you to remain at your post.

"It is vital that you continue as Secretary of State for Defence as our forces prepare for the possibility of armed action.

"I have the fullest confidence in your ability to carry out the crucial tasks that lie ahead."

Lord Carrington's letter to the Prime Minister said:

"Dear Margaret: The Argentine invasion of the Falkland Islands has led to strong criticism in parliament and in the press of the Government's policy. In my view much of the criticism is unfounded. But I have been responsible for the conduct of that policy and I think it right that I should resign.

"As you know I have given long and careful thought to this. I warmly appreciate the kindness and support which you have showed me when we discussed this matter on Saturday. But the fact remains that the invasion of the Falkland Islands has been a humiliating affront to this country.

"We must now as you said in the House of Commons do everything we can to uphold the right of the islanders to live in peace to choose their own way of life and to determine their own allegiance.

"I am sure that this is the right course and one which deserves the undivided support of parliament and the country. But I have concluded with regret that this support will be more easily maintained if the Foreign Office is entrusted to someone else.

"I have been privileged to be a member of this Government and to be associated with its achievements over the past three years.

"I need hardly say that the Government will continue to have my active support.

"I am most grateful to you personally for the unfailing confidence you have shown in me."

Mrs Thatcher's reply was:

"Dear Peter: It was with very great regret that I heard this morning of your unalterable decision to resign your office as Secretary of State for Foreign and Commonwealth Affairs.

"You explained to me very clearly why you thought that, as the Minister responsible for the Government's policy towards the Falkland Islands you should, in honour, leave the Government at the present time.

"I did my utmost throughout Saturday and Sunday to dissuade you from this course: and so did other friends. I have been unsuccessful, and it is with the greatest reluctance that I accept your decision.

"The news of your resignation will be received with a heavy heart, not only by your colleagues in the Cabinet, but also by all those with whom you have worked at home and abroad these last three years.

"You have given the nation the most outstanding service as Foreign and Commonwealth Secretary. Your achievements have been many and great.

"You have preserved and strengthened our very close links with the United States and you have enabled us to play our full part in the European Community.

"Perhaps above all, the greatest single achievement for which you will be remembered will be the way in which you brought Rhodesia to independence. The absence of your wisdom and your humanity, your patience and your skill from our counsels will be an immense loss for us all.

"I shall find your continuing support in the weeks and months to come an enormous encouragement: and I am strengthened by the conviction that you have great service still to render our country."

Mr Humphrey Atkins said in his letter of resignation:

Dear Margaret: Much of the criticism of the Government's policy on the Falkland Islands which I do not believe to be sustainable has been directed at the Foreign and Commonwealth Office.

While Peter Carrington is the Secretary of State, I as a member of your Cabinet share fully with him the responsibility for the conduct of foreign and commonwealth affairs.

"That being so I have no doubt that I should resign as the same time as Peter.

"In asking you to accept my resignation may I say how greatly I have enjoyed the privilege of serving you over the last seven years, as Chief Whip, as Secretary of State for Northern Ireland and as Lord Privy Seal.

"May I also thank you not only for the confidence you have shown in me over these years but also for many personal kindnesses.

"You have my assurance that I will continue to give you and your Government my fullest support in everything you have set out to do."

Mrs Thatcher replied: "Dear Humphrey: It is with great regret that I have received your letter of today in which you say that you wish to resign at the same time as Peter.

"I understand entirely the reasons of honour which made you write as you did, and I respect you immensely for it.

"It is with the greatest of regret that I accept your resignation. You were my Chief Whip for four years and then you unflinchingly accepted the heavy burden of office of Secretary of State for Northern Ireland when I asked you to take it up in 1979.

"In that post you stood firm throughout, and especially in the darkest moments of the hunger strikes. Since then you have served the Government and the country with great skill as Lord Privy Seal.

"You have given your country service of the utmost value and I have no doubt that you will continue to do in the future.

"I am much strengthened by the assurance of your continuing support. It is a great encouragement to me at this time that I can count on it in the weeks and months to come just as I have always done in the past."

THE RESIGNATION of the Foreign Secretary prompted glowing tributes in the Lords yesterday. Lord Carrington was absent from the chamber, reading the lesson at a memorial service for Lord Butler, as peers spoke with sadness of how much they would miss him on the Government front bench.

Baroness Young, the Leader of the Lords, said: "I have been deeply moved, and I share the real sense of expression at the great loss of my noble friend.

Lady Young said peers should be glad that the House had sat on Saturday, as this had given Lord Carrington the opportunity to speak from the front bench.

Lord Peart, the Labour leader in the Upper House, said: "This is a sad day for the Lords, irrespective of party. We have all greatly admired him.

Howe says draft budget plan 'almost impossible'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

SIR GEOFFREY HOWE, the Chancellor of the Exchequer said yesterday it would be "an almost impossible task" to prepare a detailed draft budget in the autumn with both fiscal and expenditure measures.

He told the Treasury and Civil Service committee, that such an exercise would put excessive strain on Ministers and officials unless there were major changes of procedure.

The idea of a unified draft budget in the autumn was put forward in the summer of 1980 by a committee set up by the Institute of Fiscal Studies chaired by the late Lord Armstrong.

Since then the Treasury has said that it would be difficult to produce a very detailed draft budget in the autumn unless spending decisions were taken considerably earlier than at present.

Sir Geoffrey told the committee that the major spending decisions were at present taken by the Cabinet at the end of November after extensive discussions during the summer and autumn. Senior officials and ministers could have then turned their attention to some of the detailed fiscal decisions which would be announced at budget time.

The Chancellor said it might be possible to produce the public spending White Paper a little before the budget. However, in November, when the broad spending pattern is announced, it would not be possible to produce much more than the present outline of the shape of the economy and the national accounts of the following year.

Sir Geoffrey said the Treasury's forecast published in November already provided a general outlook for the economy alongside the main framework of public spending decisions. He said: "I am not sure how much further that one could sensibly go."

Prior stresses resolve on N. Ireland

BY IVOR OWEN

BY REFUSING to allow the Falklands crisis to postpone the launching of proposals for an elected Ulster assembly the Government has underlined the importance it attaches to offering new hope to the people of the province, Mr James Prior, the Northern Ireland Secretary, stressed in the Commons yesterday.

His carefully measured tones and grave demeanour reflected the pressure on senior members of the Cabinet as the Prime Minister undertook the major task of making the new dispositions made necessary by the dramatic resignations of Lord Carrington and Mr Humphrey Atkins earlier in the day.

Mr Prior called on the Ulster Unionists to put aside their suspicions of the proposals and to interpret the fact that their launch had gone ahead on what everyone knew was "a very difficult day for the Government" as a recognition by the cabinet of the need to face up to the difficulties of Northern Ireland.

His appeal made no obvious impression on the Ulster Unionists who had earlier cheered when Mr James Molyneaux, their parliamentary leader, argued that the proposals were designed to "erode the rights and privileges of British subjects, within the United Kingdom."

Mr Molyneaux contended that it was totally in appropriate that the proposals should have been announced on the very day when British forces were setting out for the South Atlantic on a mission to free British subjects from foreign domination.

Mr James Prior (left) and Mr Julian Amery

The Rev. Ian Paisley, leader of the Democratic Unionists, attacked the proposal to put different values on the religious and political colour of votes in the assembly and described it as a concept "repugnant to democracy in Northern Ireland."

Mr Prior explained that the proposals had been put forward in the spirit that there had to be some movement and some compromise if Northern Ireland was to get out of its present difficulties.

Mr Julian Amery (C, Brighton Pavilion), a senior back bencher and former minister, and Sir John Biggs-Davison (C, Epping Forest), an influential voice on Northern Ireland affairs, both warned Mr Prior that his proposals might produce deep division in the Conservative ranks at Westminster.

Concern that the introduction of a develoved Assembly for Northern Ireland might lead to a revival of the demands for Scottish and Welsh devolution was voiced by Mr Amery, while Sir John feared that the proposals might put Northern Ireland into "quarantine" and possibly undermine the union with Britain.

Mr Prior refused to accept that there was any real connection between the problems of Scotland and Wales, and the problems of Northern Ireland.

Assuring Tory MPs that he was not seeking to divide them he reaffirmed his belief that the new proposals were in the interests of the people of Northern Ireland and the people of the UK too.

Mr Don Concannon, Labour's chief spokesman on Northern Ireland, gave the proposals a cautious welcome but maintained that they would stand more chance of success if aligned to a programme of economic assistance

Brendan Keenan adds from Dublin: Mr Prior's proposals received a flat rejection from the Irish Government of Mr Charles Haughey, which said they were "of an unworkable nature and mistaken focus."

A statement said the Dublin Government would study the White Paper in detail, but it was already apparent that it conformed to the description given to Mr Gerry Collins, the Foreign Affairs Minister, when he met Mr Prior last week.

It complained that the paper elaborated a form of government "in and for Northern Ireland alone" and therefore, in Dublin's view, ignored the wider dimensions of the problem.

Dr Garret FitzGerald's Fine Gael party was more guarded, saying detailed reactions should come from the Northern Ireland parties "to whom falls the primary responsibility for issues concerned with devolved government."

Mr Ruairi O'Bradaigh, president of Provisional Sinn Fein, described the proposals as a "futile exercise"

Alliance trails in London

AN OPINION Research Centre poll for Thames News shows the alliance of Liberals and Social Democrats starting the local election campaign in London some way behind the two main parties.

Of those polled, 30 per cent said they would vote Labour, 23 per cent Conservative, 20 per cent Alliance and 2 per cent for other parties. Some 15 per cent said they were still undecided, 5 per cent refused to state their intention and another 5 per cent said they would not vote at all. However, nearly two-thirds of those polled were not aware elections were to take place and only 28 per cent knew they were due in May.

The poll covered a representative sample of 1,052 electors across Greater London and was carried out between March 27 and March 31—after the SDP victory at Hillhead but before the Falkland Islands crisis developed.

Some 47 per cent were both certain to vote and willing to state their intentions. Of those only 26 per cent said they would vote for the Alliance.

Top of the list of issues which Londoners said would influence their voting decision was unemployment (42 per cent). Other issues identified were education (31 per cent), race (30 per cent), housing (24 per cent), and London Transport fares (14 per cent).

Massey-Ferguson moves work abroad from blockaded factory

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MASSEY-FERGUSON started carrying out its threat yesterday of transferring work overseas, in response to the union's blockade at its Coventry tractor factory.

The Canadian-based multinational delivered an ultimatum to 3,300 strikers that unless they reported for work yesterday decisions would have to be taken on supplying overseas customers from other countries.

Massey merely said yesterday "one significant order" had now been placed overseas. Whether it was lost permanently to Coventry would depend upon the customer and the duration of the present dispute.

Massey, in spite of its tough statement last week about the threat to jobs at Coventry and withdrawal of redundancy terms already offered seemed to be treading cautiously yesterday.

The hope must be that sufficient volunteers for redundancy will come forward to defuse the present damaging confrontation with the unions.

Massey gave the unions until April 1 to effect a 725 cut in the workforce which the company said was necessary to make the plant internationally competitive.

Much of the rundown was achieved through volunteers but the company announced it would have to dismiss 170 manual workers compulsorily.

The blue-collar workers, who had been pressing for short time working as an alternative to dismissals walked out on strike. Following the company warning of transferring work overseas the unions stepped up the dispute by refusing access to the 700 staff. Tractors were used to blockade the gate.

Fear of unemployment—already more than 16 per cent in Coventry—linked with the prospect of lump-sum redundancy payments can be expected to expose divisions among the workforce.

Left-winger challenges result of union election

BY PHILIP BASSETT, LABOUR CORRESPONDENT

ELECTIONS for the deputy general secretaryship of Britain's largest civil service union, the Civil and Public Services Association, are being challenged by a losing left-wing candidate.

In the poll, Mr John Ellis, supported by the union's dominant right-wing group, defeated Mr John Macreadie of the Labour Party's Militant Tendency.

The office became vacant after Mr Alistair Graham, a moderate, was elected general secretary. He had defeated Mr Macreadie for the post.

Results of the deputy general secretary election were: Ellis, 25,438 (32.1 per cent); Macreadie, 24,261 (30.6 per cent); Diana Warwick, a middle-ground candidate, 19,560 (24.7 per cent); and Peter Thomason, another left-winger, 9,887 (12.5 per cent). The poll was put at 42 per cent of those able to vote.

All four candidates were assistant secretaries.

Union left-wingers were surprised at the closeness of the result—only 1,177 votes separated Mr Ellis and Mr Macreadie—and were predicting success when another militant, Mr Kevin Roddy, stands for the presidency. However, other CPSA activists thought a maintenance of the left vote in this election was unlikely.

Mr Macreadie tried to halt publication of the results before his allegations of voting irregularities in seven branches were investigated. However, a union circular containing the results should start reaching members today.

Beecham's appeal dismissed

By Raymond Hughes, Law Courts Correspondent

Seven shop-stewards employed by Beecham Pharmaceuticals were entitled to time-off with pay to attend a meeting of their union's Beecham national advisory committee, the Appeal Court ruled yesterday.

The court dismissed Beecham Group's appeal against an Employment Appeal Tribunal decision the seven, members of the Association of Scientific, Technical and Managerial Staffs, were entitled to paid time-off because they had been carrying out "duties concerned with industrial relations" within section 27 of the Employment Protection (Consolidation) Act 1978.

The case was remitted to an industrial tribunal for decision on a reasonable amount of time-off for which the stewards should be paid. It was the first time the section had been considered.

Lord Justice O'Connor said the national advisory committee was a forum for exchange of information between ASTMS members at various Beecham plants, and for deciding policies affecting the union's members nationally.

It was clear attendance solely to exchange information would not qualify for paid time-off. The question was whether attendance at policy discussions qualified.

Beecham's was given leave to appeal to the House of Lords.

London port peace deal

BY DAVID GOODHART, LABOUR STAFF

THE PORT of London is expected to be back to normal working today after two weeks of disruptions. A mass meeting of the National Amalgamated Stevedores and Dockers Union yesterday accepted new pay proposals.

The peace proposal was worked out by the conciliation panel of the National Joint Council for the Port Transport Industry and backed reluctantly by the union executive.

The NASDU has 400 men in the Tilbury Docks general cargo area. The Transport and General Workers' Union, representing 1,400 in the general cargo area, accepted the new deal last Friday. Both unions agreed to start work again today.

Under the proposal, the basic 5.5 per cent offer rises, with a maximum of £8 a week, is unchanged. But bonus payments would rise to 3p per tonne for the first one to eight tonnes handled in a shift, plus 8p for nine tonnes and over.

Philip Bassett and John Lloyd report on the special TUC conference

Unions vote to fight Tebbit Bill

DELEGATES TO the special conference of trade union executives yesterday gave enthusiastic backing to the TUC's eight-point strategy, and opposed the Government's employment legislation.

However, many delegates feared the TUC lead might not be followed by members. Some delegates said the £1m fighting fund should not be used to pay legal fees, others cautioned against all out confrontation with the Government.

Mr Len Murray, the TUC General-Secretary, moving the General Council's report, said the purpose of the Employment Bill was to weaken unions in their fight for jobs and pay.

"This Bill is a manifesto for the union-free society. So we have to fight back to defend the right of workers to combine to bargain collectively, the right not to work except on agreed conditions, and on a very important right indeed—the right of the strong to come to the aid of the weak."

The Government not the unions had picked the fight. Unions and the many sensible employers knew the damage the Bill could cause, he said. "The Government is handing a loaded gun to outsiders, to third parties, with an open invitation to pull the trigger."

Employers must be warned not to use the Act once it became law; if they began legal action they would face the strength of the trade union movement.

Unions were not over-powerful, but too weak, Mr Murray said. However, anti-union propaganda had been pervasive and many members had been convinced by it.

"So we have a major job to do in alerting trade unionists themselves to the real nature of the proposal. It will not be easy to bring home to them the full force of the threat to their unions and their own rights and interests.

"But we have to build understanding steadily so that when the time comes we can count on their ready support. We should not pretend to threaten what we cannot deliver."

Mr Murray said attempts by the Government to introduce further legislation would call for additional recommendations to Congress in September. But the eight-point plan was the agreed course of action.

He warned unions that they should not take state money for ballots. "Any union which might be fleetingly tempted should remember that it would be called to account under the TUC rules."

The fifth recommendation was pivotal—it meant that legal action gainst any union, could be met by united opposition. "So let any employer concerned remember that and think twice before he decides to run the risk of taking us all on and let other employers understand that they too could become embroiled in this," said Mr Murray.

Support from the TUC was not unconditional, he said. The General Council would give firm leadership but there would be no blank cheque.

"We are not talking about breaking the law for the sake of breaking the law. Nor are we talking about using industrial action to smash the Government undemocratically; though if public concern with the consequences of the Government's ill-judged and harmful legislation adds to the growing disillusionment and leads to an early election, and to the election of a Labour Government pledged to repeal this act, then I for one will cheer at that," he said.

Referring to financial support, he said: "We shall not win this struggle just with the cheque book. We need money, but above all we need the committed support of your members."

Mr Arthur Scargill, making his first public appearance as president of the Mineworkers' Union, said the conference was historic because it recognised the fundamental principle that it is no longer enough to defend the interests of its members and that the offensive must be taken against the Tory government.

It was not the job of unions to argue the pros and cons of legislation—their job was to fight and destroy it. Mr Scargill opposed the use of the £1m fund to pay legal fees: court actions should not be met with money, but with industrial action. The measures on the closed shop were "but another example of this government's attempt to shackle the unions."

Employers, particularly those in the nationalised industries, should join their trade unions in opposing the Bill, Mr Sid Weigbell, general secretary of the National Union of Railwaymen, urged.

He said unions in coal, gas, steel, railways and other industries should seek categorical assurances from employers that they would not invoke the legislation, or the unions would withdraw their co-operation from industrial relations practices.

Mr Rodney Bickerstaff, general secretary-elect of the National Union of Public Employees, pointed to the pattern of recent employment legislation, which had occurred about every two years since the mid-1970s, and he said that Mr Tebbit was preparing a further Bill for enactment in 1984.

He emphasised the particular danger to public sector unions from the clauses in the Bill which expressed more tightly the legal definition of a trade dispute, and their potential consequences for the funds of public service unions.

Mr Bickerstaff said "In local authorities across the country the sticky little fingers are at the moment in the public purse, but they will be delving into our money. They are legalised pickpockets."

Mr Joe Wade, general secretary of the National Graphical Association, gave support to the TUC's general council's proposal but said that in the view of unions such as those in the printing industry they did not go far enough.

If taking a stronger line than the TUC was suggesting brought the NGA into confrontation with employers, then it would look to the TUC for support. "If break the law I must, then break the law I will," said Mr Wade.

He was firm on the NGA's insistence on maintaining the closed shop in the printing industry. But he had reservations about the TUC's 10p levy, which, he thought, might encourage rather than discourage employers to start legal action against the union.

Mr Bill Keys, general secretary of the Society of Graphical and Allied Trades, strongly supported Mr Wade on the closed shop and trade union resistance to the Bill.

The Sogat executive had decided to oppose the Bill as an industrial union if necessary. Mr Keys said: "We will not pay fines. We will not pay damages."

Mr Roy Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staff, also had reservations about the levy, and raised the possibility of the money collected being sequestrated by the courts imposing fines of such a level as to reach and then exhaust the levy fund. He called for further legal clarification of this point.

Mr John Ward, general secretary of the First Division Association, acknowledged that some of his members had advised Mr Tebbit in the drafting of the Bill but said they would help any future Labour Government in repealing it. That was why political neutrality was important for his members.

Mr Leif Mills, general secretary of the Banking, Insurance and Finance Union, advised caution in unions making commitments to further unspecified levy payments, though he fully supported the present 10p levy.

Mr David Basnett, general secretary of the General and Municipal Workers Union and chairman of the TUC's economic committee, said that the Government was challenging the unions' right to organise and to defend the interests of their members.

"Defeat on Tebbit's Bill will not just be for a day—given the political uncertainty which surrounds us, this statute could be with us long enough to destroy us. We either act swiftly or we face emasculation. The choice is as stark as that."

Union funds would be at risk, he said. Employers must be warned that to use the legislation would be to invite industrial action throughout the industrial sector of which they were a member.

"Let no-one be in any doubt about the seriousness of the step we are taking. We are empowering the TUC to co-ordinate action. This is a historic, a unique step.

"We shall not duck the challenge—and if we say that, for God's sake let's mean it. Our unity is the one remaining strength that not even Tebbit's law can affect."

Mr Moss Evans, general secretary of the Transport and General Workers Union, said that the Bill was an attempt to import legislation from foreign countries with different traditions—legislation that was bound to "come unstuck."

Employers were in a "dangerous cul de sac," he warned. They had created a "Frankenstein monster" which they did not know how to stop. "Let us give the employers a warning. Margaret Thatcher may not turn but they still can."

Employers reluctant to use the legislation could still be involved through third parties. The bitterness created by the use would sour industrial relations.

Mr Eric Hammond, an executive council member of the Electrical and Plumbing Trades Union said that unions had to face the fact that they were unpopular, and had to ask themselves why.

Unions were also in a weak state: employers saw less risk in not consulting unions, funds were low and there was little feeling of militancy among members.

Mr Geoffrey Drain, general secretary of the National and Local Government Officers Association said that public sector workers were at least as much at risk under the terms of the legislation as workers in the private sector. Trade unionists did not wish to break the law—"but if the sword is forced into our hands, then we will be forced to use it."

Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers, said that the AUEW believed the Employment Bill was the greatest threat to free trade unionism since the Industrial Relations Act of 1971. However, the problem the unions faced was apathy among their members—they had to involve them more in action.

Mr Ken Gill, general secretary of the white collar engineering union AUEW Tass, said that it was important to carry forward a message of optimism. The Government was trying to force down wages, and for that, "the destruction of the trade union movement was an absolute prerequisite."

However, the Bill was not a sign of strength, but a sign of Government's weakness. He said he was opposed to the use of the fund to pay legal costs, and that unions would have to debate again whether or not to remain in tripartite forums such as the National Economic Development Council—a debate which, he said, should take place at TUC Congress.

Mr Marius Goring, a vice-president of the actors' union Equity, said that the union was non political and non-sectarian, and could not recommend acceptance of all the TUC proposals to its members. Its members would vote in a ballot on whether or not to take state aid for ballots—a move which Equity's council already supports.

Mr Ben Rubner, general secretary of the Furniture, Timber and Allied Trades Union, said the fund created by the TUC's levy should be used not for legal action but to mount a lobby of Parliament while the Bill was passing through its stages.

Mr Murray, winding up the debate, said that the Bill was an example of the Government bringing politics into industrial relations—and that would be the answer if the trade unions were accused of playing politics.

Mr Murray said he was optimistic about the outcome of the TUC's campaign. He said: "When the movement is put to the test, we will have a response. We have had it before. I am totally confident that our cause is just and that it will prevail."

BACKING FOR 8-POINT STRATEGY

1—Unions to affirm their commitment to campaign against the Employment Bill. (Unanimous.)
2—Unions shall not participate in ballot on the closed shop. (Opposed by Equity only.)
3—Unions shall not accept state funds for ballot. (Opposed by Equity only.)
4—Unions shall consult closely with each other before taking industrial action. (Unanimous.)
5—The general council is empowered to co-ordinate action in support of unions, and to provide financial assistance. (Unanimous.)
6—Unions shall continue to observe disputes principles. (Unanimous.)
7—Trade union members of industrial tribunals will withdraw from cases arising from the Bill (Opposed by Equity only.)
8—The general council will be empowered to raise a 10p levy on each member to create a (£1m) fighting fund. (Opposed by Equity and National Union of Teachers.)

TUC leader Len Murray

Philip Bassett looks at the Government's attempts to redefine disputes

Move to curb political strikes

POLITICAL STRIKE action is an anathema to governments of any ideological persuasion. Political strikes display public opposition to parliamentary rule in the most direct way possible, turning the in-built opposition of the trade unions almost into labour insurgency.

Outlawing political action is the intention behind one of the key clauses of the Employment Bill 1982. Clause 15 has attracted less attention than the Bill's provisions on the closed shop, partly because its scope—amending the legal definition of a trade dispute—would seem to most union members to be dry-as-dust legalism.

For many unions, though, this section of the Bill could place far more restrictions on their operations than the closed shop sections. In fact the restrictions will be as great as they were under the Conservatives' ill-fated 1971 Industrial Relations Act.

One union centrally affected by the Clause 15 provisions calls it "one of the greatest threats to (our) effectiveness as a trade union in our entire history."

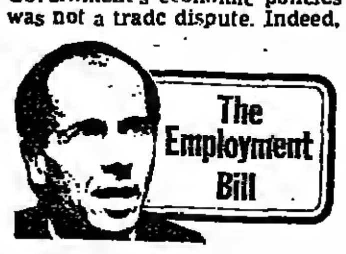
Some Tory backbenchers and hard-line industrialists have argued that all political action should be outlawed. Though many unions stress that this is precisely the effect of the redefinition of a trade dispute, Mr Norman Tebbit, Employment Secretary, was more cautious.

During the Bill's second Commons reading, he said: "We are simply proposing that where a dispute is mainly political or mainly concerned with a personal grudge, or some other non-industrial matter, and falls only marginally within the definition of a trades dispute, it should be treated as the law has always treated disputes that are wholly political."

Political strikes do not enjoy protective immunity from civil action which the law has given to trade unions—laid out most recently in the Trade Union and Labour Relations Act 1974 (Tulra).

Two examples underline the point: when the broadcasting union, the ABS, threatened to black BBC's transmission of the 1977 FA Cup Final to South Africa, its action was held not to be within the so-called "golden formula" of labour law—it was not "in contemplation or furtherance of a trade dispute."

A case against the print union Sogat arising out of the TUC's Day of Action on May 14, 1980, showed that an "avowed political strike" against the Government's economic policies was not a trade dispute. Indeed, Sogat did not even argue in court that it was.



The changes proposed in this section of the Bill put into effect the view held by the Government and employers that the law presently allows too much scope for unions to take action which is designed to express opposition to Government policies or to put pressure on the Government to change.

Tulra, in 1974, gave immunity to action in furtherance of a trade dispute, and defined this as a dispute "which is connected with" seven areas of work. The 1982 Bill proposes this be substituted with "relates wholly or mainly to." This apparently tiny alteration—in fact a shift back to the position of the 1971 Act—has far-reaching implication.

This substitution will give the courts the power to decide the main purpose of dispute—industrial or political.

Judges acknowledge such a distinction can be difficult to draw, as a 1973 judgment in a case involving the engineering workers' union stressed: "Although the phrase 'political strike' has from time to time been used in reported cases, it is to my mind a phrase which should be used, at any rate in a court of law, with considerable caution, for it does not readily lend itself to precise or accurate definition.

"It is all too easy for someone to talk of a strike as being a 'political strike' when what that person really means is that the object of the strike is something of which he as an individual subjectively disapproves."

Industrial action against privatisation, for instance, could be ruled to be unlawful if the courts held that the main purpose of the action was political or ideological opposition, rather than protection of jobs, or the furthering of collective bargaining.

Action of this kind was taken last year when gas white-collar and manual workers called a one-day strike and threatened further action, forcing the Government to draw back from its proposal to sell off gas showrooms.

For their action to enjoy immunity, the unions requested no compulsory redundancies, and since British Gas gave no guarantee there was a dispute. However, under the Bill's redefinition, the courts would decide whether the dispute related "wholly or mainly" to redundancies or to the political decision to sell off the showrooms.

Central and local Government unions are potentially at greater risk from this redefinition, since the nature of their employers casts a political aspect over virtually every facet of their union activity. Local authorities, or civil service managerial departments, might argue that they agree with a claim—but are prevented from meeting it by Government policy.

The alteration could rule out a repeat of last year's five-month strike by the civil service unions. Since pay was the central issue, and one of the governing conditions of a trade dispute is terms and conditions of employment, the action might have enjoyed protection. However, the Government's 7 per cent pay offer was determined by prior decisions on cash limits and on overall public spending. The courts might therefore construe the strike campaign as an attack on a political decision, leaving the unions open to suits for damages under the new provisions of the Bill from such aggrieved parties as airlines, VAT traders, farmers, and defence contractors.

While court decisions on such matters would be difficult, the fact that the issue is open to court interpretation raises the prospect of interim injunctions. On the basis of balance of convenience, courts might grant an injunction against a union taking such action early in a dispute. This could damage a union's momentum and impact in maintaining its action. At worst it might be sufficient to defeat the union's purpose in mounting the action.

From the union's point of view, whatever the eventual outcome of this redefinition the level of licence for the courts will create a climate of doubt and uncertainty which—aside from the threat of legal action—will make the organisation of effective industrial action that much more difficult.

Two more articles on the Employment Bill next week will conclude this series.

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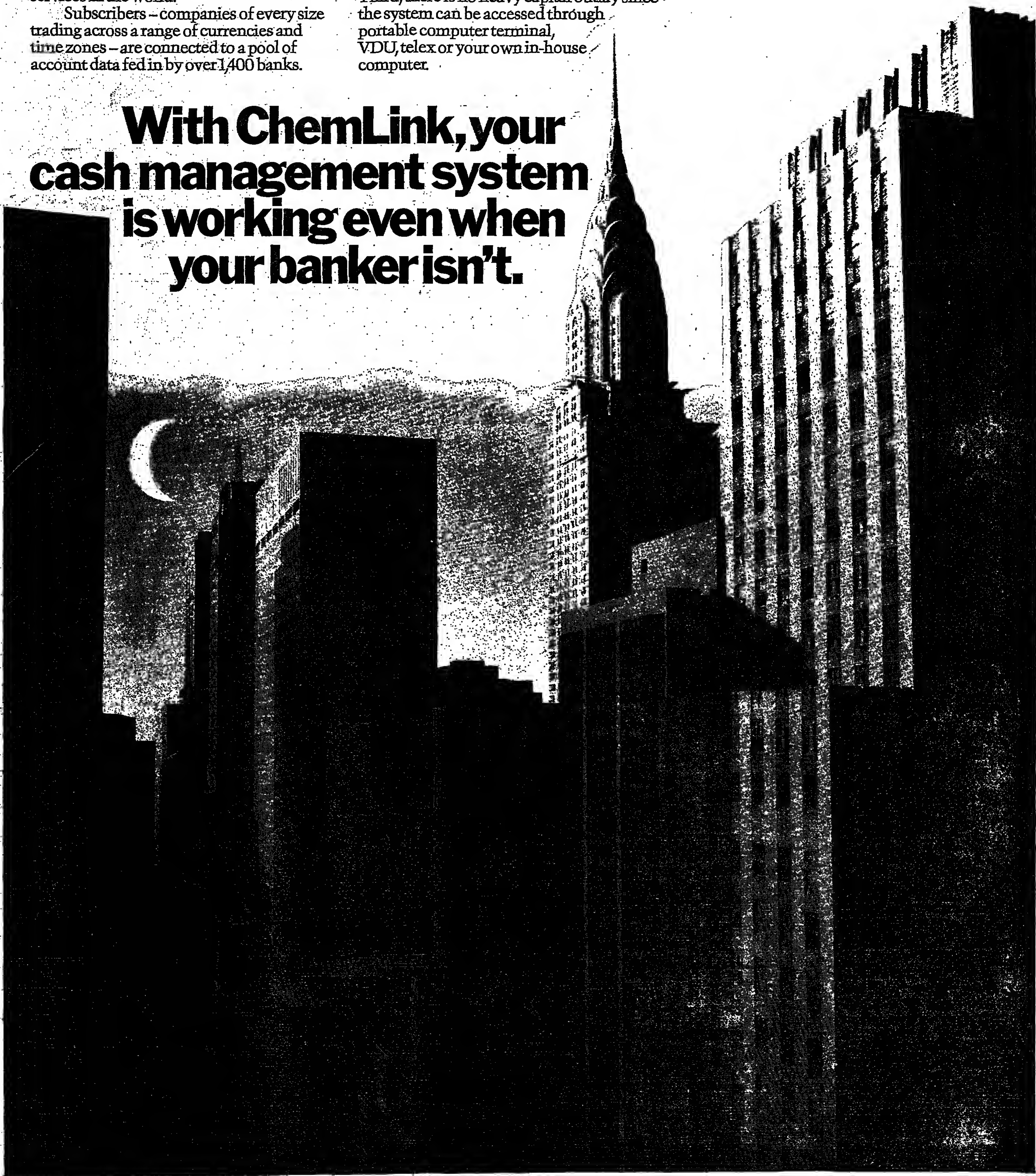

The bumpy road to a bonanza in books

BY CHARLES BATCHELOR

PAULINE PARKER was "a typical housewife bored with her lot" when she and her husband Andy hit on the idea of opening an English children's bookshop in Amsterdam. Now, just over a year later, their business has grown into a major supplier of foreign language children's books to libraries and schools.

The enterprising Parkers, both in their early thirties, expect this year to supply 100,000 books in Turkish, Arabic, Spanish and a number of other languages to local authorities throughout the Netherlands and Belgium.

The Parkers hit upon a previously undiscovered market created by the existence of the thousands of "gastarbeiders" (guest-workers) and their families; surprisingly the many Turkish, North African, Italian, Spanish and Portuguese children growing up in The Netherlands had very little in the way of reading materials.

Since just over half a million of the country's 14m population is of non-Dutch origin, the potential is enormous. The 138,000 Turks are the most numerous, followed by 83,000 Moroccans, 23,000 Spaniards and 21,000 Italians. The British, the Parkers' original market, number 35,000.

"It seems incredible that no one has got involved in this before," says Pauline Parker, a stewardess with a British airline until the birth of her son, Christian, nearly six years ago. "The population of immigrant workers has just been neglected." With reading skills among many of the immigrants often at a fairly low level, books generally considered to be for children are frequently read by teenagers and even adults.

Pauline and Andy, who had been doing freelance advertising work in Germany, decided to move to Amsterdam two years ago. "After a year or so, I thought I would like to do something with my time, like starting a shop," says Pauline.

They considered a number of ideas but finally, having already discovered how difficult it was to find suitable books for their son, decided to open a shop selling English language children's books. They found a small shop in a narrow street next to the recently renovated New Church, which overlooks Dam Square in the heart of the old city.

Because they had never been asked for books for children or books in unusual foreign languages, the importers they approached told them it was a crazy idea but agreed to supply what they were looking for. "They allowed us to take their books but we had to pay up quickly."

However, barely had the shop been open for three months, when Amsterdam City Council began digging up the road outside. Customers were unwilling to scale the piles of sand and paving blocks so, with falling trade, the Parkers looked desperately for a way of meeting their overheads. In an attempt to get compensation for their loss of business, the Parkers withheld part of their rent from the council but they lost a court case and were served with an eviction notice.

Rather than face the expense of an appeal they decided to shut the shop and concentrate on supplying books to libraries and schools. The problems of the shop had given them the impetus to establish themselves in the more lucrative side of the book trade.

"We started going to the libraries with our list of English children's books. Gradually the orders started coming in. They asked us if we could supply books in Arabic so we said we could, hoping we would be able to get hold of some. Then they asked if we could supply books in French and other languages."

The Parkers approached Ladybird Books in the UK, which said its agent in Lebanon could supply them. From there they moved on to books in Turkish, Spanish and Portuguese for the other ethnic minority groups.

"People tell us we are among the few people supplying materials for minority groups in Western Europe," says Pauline. They are now starting to receive inquiries from Belgium and Sweden.

The Parkers began their business venture with capital borrowed from family and a Dutch bank. Their bank manager was sympathetic but had to work within the rules applied by head office to newly established ventures. They are reluctant to give detailed figures but say that within a year of opening, the business was in the black.

"At the moment we do not need to borrow any more money to finance the business," says Pauline.

The Parkers admit to being surprised at the speed with which their venture has developed over the past few months. "Now we need two or three years of solid business to build up our name." Andy has practically given up his advertising work to devote all his time to the book trade. They make no formal division of the workload though Pauline hopes to travel to make contacts outside The Netherlands, while Andy is better at the paperwork.

For the past six months the Parkers have been working practically around the clock to keep up with the inflow of orders. The Dutch Ministry of Education has agreed to distribute their catalogue to 4,000 schools throughout the country. Once local authorities became aware of their existence orders snowballed. Amsterdam city libraries alone ordered 5,000 Arabic books.

The Parkers deal directly with the English publishers—who supply most of their books—and work through agents when handling books from other countries. English publishers were only too happy to find an extra outlet and seemed totally unaware of the huge potential market in Western Europe among immigrant communities.

Getting hold of material is the biggest problem the Parkers now face. The Turkish market, potentially the largest, is limited by the Ankara authorities' refusal to allow books in Turkish but published outside the country to be imported. This has meant that Turkey is not an interesting market for British or other West European publishers so the choice is limited. The Parkers have been able to get hold of some books from Turkish publishers, however.

"It all started out as a bored housewife's way of passing the time," says Pauline "but you soon become involved. It would have stayed small but for the road being dug up."

Pauline, Andy and Christian Parker—before they were evicted

A marriage bureau for inventors and investors

BY TIM DICKSON

"WE DON'T want the lunatic fringe or people who just think up something in the bath."

Although a modern day Archimedes would doubtless fit the bill, Sir Denis Haviland, chairman of Technology and Innovations Exchange (TIE) is anxious to convince the world that this recently formed company is only interested in "sensible ideas."

TIE is an unusual experiment, though not a unique concept. Its object is to act as a bridge between inventors and developers of new products and those with the technical expertise and/or money to develop them.

The company's own share capital has been subscribed by Energy Finance and General Trust and the directors (who include Basil Bard, formerly managing director of the National Research Development Corporation, now part of the British Technology Group; Thomas Buffet, chairman of Automated Security Holdings; and Kit Nuttall, the founder). Help was also provided by a Barclays Bank Business Start Loan.

TIE operates as follows. Inventors (known as "sellers") get in touch with the company and provide as much detailed information on their product idea as they can. There is extensive use of yes/no answers on the application form in order to streamline presentation — but space for unstructured "open ended" replies ensures flexibility.

The next stage is assessment. This is carried out by technical and legal experts in the relevant fields and concentrates on areas such as patent protection, the state of product development, finance needs and market potential. According to Kit Nuttall, considerable emphasis is put on "the search for lateral uses."

If the idea is acceptable to TIE, outline details are then placed on the TIE listings which are sent on a computer print out to subscribing organisations (known as "buyers"). Each brief contains a short summary of the main advantages, beside which 180 "relevant facts" are set out in condensed coded form.

This is intended to give the busy chief executive a "bird's eye view" of the relevant project, though the TIE "decoder" may also appeal to those (less busy) managers who like to spend time fiddling with a new toy. The "decoder" is no more than a bit of card with a long thin hole which, placed over the jumble of figures and letters on the listing, interprets their meaning and allows a fuller picture of the product/idea to build up in the potential "buyer's" mind.

If the buyer is interested negotiations may begin, though only after the signing of a legally binding confidentiality agreement protecting the seller.

TIE says that a steady flow of "sellers" has come onto its books since it started looking in earnest last November. These range from companies with tested prototypes, unexploited patents and just pure know-how looking for partners, licensees or financial backing. Sellers pay £65 for most applications (the upper limit is currently £250 plus VAT) but if the application is turned down the fee is returned.

It boasts Racal, Marconi, Pye and BOC among the 35 large and medium sized businesses which currently subscribe to the listings. Others which do not wish to be named are apparently touchy about people thinking their R and D is inadequate.

Buyers pay £86 plus VAT per listing category. The fee for opening negotiations (including confidential access) is £240 plus VAT and on top of that TIE charges 10 per cent of all down payments or royalties payable to the seller as part of any subsequent deal. At the moment one contract is being drawn up and five buyers have opened negotiations.

Nuttall stresses that TIE is very conscious of security—until the confidential access is signed sellers remain anonymous and only non-prejudicial information as cleared by a retained patent agent is included on the listing. Nuttall emphasises the flexibility of the service—it can help sell for a royalty, find the right partner or the right technological or financial back up.

Although the company's methods may be new TIE is not alone in the market which it is entering. Management consultants and receivers, for example, are always on the look out for bright ideas which others can exploit, and venture capital journals (albeit less thoroughly) carry lists of products and ideas which are scanned by their subscribers. Worldtech Ventures, the new joint private and public sector initiative recently launched to tackle unemployment in the depressed regions, will be using Control Data's data bank for transferring technology in and out of the UK.

"Good projects tend to be snapped up at a very early stage so the success of this company will depend very much on the quality of the ideas," commented one leading UK venture capitalist.

A major question mark in the UK, of course, hangs over the number of suitable projects—a worry currently expressed by many small business backers. Nuttall is convinced that there is plenty for everyone and that communication is the main problem.

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In brief . . .

ONLY 16 per cent of 1980's university graduates whose whereabouts are known went straight into industry and though nobody knows how many end up in "small" businesses the percentage is bound to be pretty small.

One who did take this route in 1977, however, was Linda Oliver, 28, winner of the first Churchill College (Cambridge) Prize for Graduates in Small Business — an essay competition open to graduates under the age of 32 who have had up to three years' experience in a small business.

Oliver, who is field sales manager for Bradgate Textiles, a small privately owned manufacturing company near Loughborough with an annual turnover of £5m, concludes her essay with some observations which are relevant not just to other graduates eyeing up employment opportunities. "It is important firstly to determine whether one is independent and gregarious as I would regard these as prerequisites for working in a small company. Secondly, if one is not accustomed to giving a high level of commitment to whatever the cause one might find a small company too demanding in practical and personal terms."

The competition, which carries a first prize of £400, will be repeated next year. The closing date is January 31 1983.

Details from Dr R. C. Campbell, Senior Tutor, Churchill College, Cambridge (0223 61200).

●

THURSDAY is the closing date for applications to the Northern Venture Capital Syndicate, the most recently launched fund under the Government's Business Start-up Scheme which will be run by Edinburgh-based investment managers Hodgson Martin.

Following the concessions in the Budget, the managers have confirmed with the Inland Revenue that individuals can put up to £30,000 each into the syndicate—£20,000 (the new limit for 1982-83) plus unutilised amounts (up to £10,000) from 1981-82.

●

A FREE 12-page booklet called Moving Location has just been produced by Industrial and Commercial Finance Corporation (ICFC) the specialist small firms financing institution. Written by J. H. Southcott, of ICFC Consultants, its object is to indicate to management the factors involved in removal, the problems likely to arise, and the procedures which companies would be advised to adopt.

Among the most common pitfalls mentioned are: insufficiently detailed planning and control; lack of flexibility in layout and building design to facilitate easy expansion; and under-estimation of the likely loss of production and the resulting customer dissatisfaction.

ICFC, 91 Waterloo Road, London SE1.

●

DETAILS of the Small Engineering Firms Investment Scheme, first mentioned in the Budget, were announced last week by John MacGregor, the Industry Minister with special responsibility for Small Firms. The scheme, which is open to engineering companies with less than 200 employees, offers a grant of one-third of the costs of new capital equipment worth between £15,000 and £200,000.

Small firms will welcome the generous level of grant and the Government's efforts to cut out as much red tape as possible for applicants. The £20m which has been made available over the next 12 months, however, will be handed out on a "first come, first served" basis.

Guidance notes and application forms from: Department of Industry, West Midlands Regional Office, Ladywood House, Stephenson Street, Birmingham, B2 4DT. Tel: 021-632 4111. For Northern Ireland write to Department of Commerce, Chichester House, 64, Chichester Street, Belfast, BT1 4JX. Tel Belfast 34488.

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FT COMMERCIAL LAW REPORTS

Shop plus residence can make a 'house'

TANDON v TRUSTEES OF SPURGEONS HOMES

House of Lords (Lord Fraser of Tullybelton, Lord Wilberforce, Lord Scarman, Lord Roskill and Lord Bridge of Harwich): April 1, 1982

LEASED PREMISES of mixed business and residential use are a "house" for the purpose of enfranchising the lease, as long as they can reasonably be called a house even though they might also reasonably be called something else; and they will be so called where they were specially designed or adapted for living in unless there are exceptional circumstances which are such that nobody could reasonably call them a house.

The House of Lords so held (Lord Wilberforce and Lord Fraser dissenting), when allowing an appeal by Mr Ajeet Kumar Tandon, the tenant, from a majority Court of Appeal decision which reversed a County Court decision that the tenant was entitled to acquire the freehold of the leased premises from his landlords, the Trustees of Spurgeons Homes.

* * *

The Leasehold Reform Act 1967 gives the tenant of a "house" held under a long lease the right to acquire the freehold ["enfranchisement" of the lease] if certain conditions are satisfied.

Section 2 (1) of the Act provides: "... 'house' includes any building designed or adapted for living in and reasonably so called, notwithstanding that the building is not solely designed or adapted for living in ..."

LORD ROSKILL said that the tenant held premises under a lease which was originally granted in 1881 for 99 years. The premises were described in the lease as "all that messuage or dwelling house and shop."

The ground floor was a shop. At the rear there was a covered yard leading to a stable which was used by the shop. A combined bathroom and WC at ground level formed part of the residential accommodation, which was otherwise entirely on the first floor.

On those primary facts the County Court judge held that the tenant was entitled to acquire the freehold interest in the premises from his landlords under the Leasehold Reform Act 1967. The Court of Appeal by a majority, reversed that decision.

The issue was whether the premises were a "house" within the definition in section 2 (1) of the Act.

Under section 2 (1) premises were not to be treated as a house merely because they were designed or adapted for living in unless they could also be reasonably called a "house" in ordinary parlance. Nor were they to be treated as being outside the definition merely because they were not structurally detached or were "not solely designed or adapted for living in."

The section clearly contemplated some mixed user, but left it to the courts to determine whether particular premises fell within the definition.

The courts, in resolving the problems to which the definition gave rise, should hold the balance fairly between the conflicting interests of the landlord and the tenant. The Act operated to deprive the freeholder of his rights in return for a sum of money; its social purpose was to secure that result in favour of the tenant only if he could satisfy the conditions precedent.

The purpose of the definition was that tenants who lived over a shop should not be deprived of the right conferred by the Act, whether they traded from the shop or not, merely because the building accommodated two uses.

If the law was to be evenly and justly administered, there should be uniformity of principle in the courts' approach to the question, and a broad consistency in the conclusions reached. The question must not, save within narrow limits, be treated as a question of fact.

For that reason the Court of Appeal's decision in *Lake v Bennett [1970] 1 QB 663* was welcome as stating a principle and confining the question of fact to a narrow area.

The following legal propositions could be deduced from that case: (1) as long as a building of mixed use could reasonably be called a house, it was within the statutory meaning of "house," even though it might also reasonably be called something else; (2) whether it was reasonable to call a building a "house" was a question of law; (3) if the building was designed or adapted for living in, only exceptional circumstances would justify a court in holding that it could not reasonably be called a house.

It was hard to envisage the exceptional circumstances which would justify the court in holding that the premises could not reasonably be called a house. Circumstances would have to be such that nobody could reasonably call it a house.

The Court of Appeal might have been influenced by the consideration that the tenant was entitled to protection under Part II of the Landlord and Tenant Act 1954 [protection for business tenants]. The two statutes overlapped. The fact that there might be other protection available to the tenant was irrelevant. There was no reason why he should not be able to exercise his rights under the Leasehold Reform Act, if the premises possessed the relevant qualifications.

His Lordship would allow the appeal and restore the decision of the County Court judge.

Lord Scarman and Lord Bridge agreed.

* * *

LORD WILBERFORCE dissenting, said that the County Court judge found that if the yard at the rear was counted as part of the shop, 75 per cent of the total area was occupied for that purpose, and only 25 per cent as a dwelling. If the yard was disregarded the proportions were 50-50 per cent. If one took the rental value as a criterion, by far the greater part (85 per cent) was attributable to the shop.

The question was whether those premises, taken as a whole, were a "house reasonably so called." The judge had felt bound by *Lake v Bennett* to hold that the premises were a house. That was a decision on a particular building, quite different from the premises now in issue. To hold that a decision on one set of facts was a binding authority with regard to another set of facts, was an error of law.

Instead of holding that he was bound by *Lake v Bennett's* view of the facts, the judge ought to have considered whether the premises were a "house reasonably so called." If he had done so he could only have come to one conclusion (whether one accepted the proportion of 75-25 per cent or 50-50 per cent), namely that it was a mixed unit consisting partly of a shop and partly of a dwelling.

His Lordship agreed with the majority of the Court of Appeal and would dismiss the appeal.

*

LORD FRASER, also dissenting, said that it was a question of law whether the premises fell within the meaning of "house."

Section 2(1) limited the meaning of "house" by adding that the premises must be reasonably so called. That limitation directed attention to the character of the premises. The main element in the character was their appearance.

Another element was the setting: a building in a residential street was more likely to be reasonably called a house than if it were in a commercial area. Another relevant factor was the proportion of residential to non-residential use, and the proportions of rental value.

There was no evidence to show that the premises were reasonably called a house.

Appeal allowed.

For the tenant: J. S. Colyer QC and David Parry (Radia and Company, Kilburn).

For the landlords: Patrick Ground QC and Richard Rundell (Pothecary and Barratt).

By Rachel Davies
Barrister

RACING

BY DOMINIC WIGAN

THE Blewbury trainer Fulke Johnson Houghton is not noted for his raids on Folkestone and racegoers will do well to examine the claims of the three-year-old Leonidas and Doumayna who represent him there today. It seems probable that both will win.

Leonidas, the first from the pair to run, has not produced his best since accounting for Saturday's Aintree winner, Le Gran Brun in a maiden at Pontefract last August. However, if his recent run at Doncaster on the second day of the season is anything to go by he is now ready to return to his useful form of last summer.

Doumayna will also be all the better for a recent outing. Her best performance in three outings last summer was at Newbury where she was beaten under two lengths when fifth of 17 behind Cricket Field in a blanket finish to a six furlong event.

Turning to the card at Nottingham, where Lady Mantegna can repeat her success of a year ago in the Trent Bridge Stakes, the cleverly framed conditions for the Headingley Stakes have deservedly reaped a good response. Come On The Blues owned by Ipswich supporter, Marcos Lemos, goes for this one as does My Dear Fellow, On Return, Swynford's Passion and Cuevas.

The six furlong event is confined to three-year-olds which, before March 14, have not won more than one race, nor any race value £1,500 with the exception of a selling race.

The event looks tailor made for Come On The Blues, but I suspect it may transpire that he has been unfortunate in coming up against a possible group race winner in Cuevas.

FOLKESTONE
3.00—Leonidas
4.30—Doumayna**

NOTTINGHAM
3.00—Lady Mantegna*
3.30—Cuevas***

HAMILTON
3.15—Sandaan
4.45—Gorge Miguel

TELEVISION

Chris Dunkley: Tonight's Choice

Richest night on television for a long time. ITV starts two major new series. The Brack Report which comes into the slot occupied earlier by "Muck and Brass" continues ITV's sane and admirable new policy of creating modern drama series dealing with contemporary themes, this time energy sources. Donald Sumpter stars as Dr Brack who is not only a scientist (working in a nuclear power station when an earthquake rocks the area in Episode 1) but also a protester. Desmond Morris examines the success story of The Human Race in terms of our unique behaviour starting tonight with clothing and buildings.

BBC1's offerings include a new would-be popular science series QED which opens ominously with an episode called "How To Pick Up Girls, Win Arguments, And Influence People" (big biceps?); a "Play for Today" called Whistling Wally about Kevin, a 17-year-old northerner who is off for his first foreign holiday when he discovers his father is dying; and in Everyman a portrait on film of Pope John Paul II presented by Peter France, one of television's shrewdest reporters.

BBC2 shows one of Bogart's best movies, Treasure of The Sierra Madre, with director John Huston seen in person near the beginning and his father Walter winning an Oscar for best supporting actor. In Pot Black Steve Davis plays Cliff Thorburn.

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 9.45 The Wombles. 9.50 Jackanory. 10.05 The Banana Splits. 10.35-11.00 Why Don't You . . . ? 12.30 pm News After Noon. 1.00 Pebble Mill At One. 1.45 The Flumps. †2.00 "Scott Of The Antarctic," starring John Mills. 3.45 My Favourite Duck. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 The All New Popeye Show. 4.40 The Record Breakers. 5.05 John Craven's Newsround.
5.15 Break In The Sun.
5.40 News.
6.00 Regional News Magazine.
6.25 Nationwide.
6.50 Cracking The Egg: A Wildlife Anthology—many aspects of the natural egg.
7.40 Q.E.D. How to Pick Up Girls, Win Arguments and Influence People.
8.10 Flesh And Blood, starring Thora Hird and Bill Fraser.
9.00 News.
9.25 Play For Today: "Whistling Wally," by Wally K. Daly.
10.25 Everyman: "Holy Father." A film record of Karol Wajtyla's 62 years—from Wadowice to the Vatican.
11.18 News Headlines.
11.20 Harry O (Detective series starring David Janssen).

BBC 2

6.40-7.55 am Open University.
11.00-11.25 Play School.
2.25 pm Arthur Askey in The Old Boy Network.
3.05 Seapower.
†3.35 Greta Garbo as "Queen Christina."
5.10 Ca Canny But Ca Awa.
†5.40 Hawk Of The Wilderness.
5.55 The Waltons.
6.45 One Hundred Great Paintings.
6.55 News Summary.
†7.00 Huston directs Bogart in "The Treasure Of The Sierra Madre."
9.00 Pot Black.
9.45 Fields Of Play.
10.45 Newsnight.
11.30-11.50 Vigil.

LONDON

9.30 am World Famous Fairy Tales. 9.45 Wild, Wild World of Animals. 10.10 Animated Classics. 10.55 A Big Country. 11.25 Paint Along with Nancy. 11.55 The Bubblies. 12.00 Button Moon. 12.10 pm Let's Pretend. 12.30 The Sullivans. 1.00 News with Peter Sissons, plus FT Index. 1.20 Thames News with Robin Houstoun. 1.30 Crown Court. 2.00 After Noon Plus. 2.45 Sandbaggers. 3.45 Home Sweet Home. 4.15 Road Runner. 4.20 On Safari. 4.45 CB TV—Channel 14. 5.15 Emmerdale Farm.
5.45 News.
6.00 Thames News.
6.20 Help!
6.30 Crossroads.
6.55 Reporting London: the magazine programme that covers the big stories and issues in and around London today.
7.30 Give Us A Clue.
8.00 The Glamour Girls.
8.30 Top Of The World. Eamonn Andrews presents the final challenge.
9.00 The Brack Report.
10.00 News.
10.30 The Human Race presented by Desmond Morris.
11.30 Kaz.
12.25 am One Man's Easter! with Don Cupitt and Marghanita Laski.

† Indicates programme in black and white

All IBA Regions as London except at the following times:

ANGLIA

9.30 am Sesame Street. 10.30 Friends of my Friends. 10.55 Joe 90. 11.25 The Flying Kiwi. 11.50 Wattoo, Wattoo. 12.30 pm Gardening Time. 1.20 Anglia News. 2.00 God and the Artist. 3.45 Looks Familiar. 6.00 About Anglia. 7.00 Diff'rent Strokes. 11.30 Quincy. 12.25 am The Davidson File.

CENTRAL

9.25 am 3-2-1 Contact. 9.55 Pro-Celebrity Angling. 10.20 Falcon Island. 10.45 Portraits of Power. 11.10 24 Hours at Le Mans. 12.30 pm The Young Doctors. 1.20 Central News. 3.45 Looks Familiar. 5.15 Radio. 6.00 Crossroads. 6.25 Central News. 7.00 Emmerdale Farm. 11.30 Central News. 1.35 Pro-Celebrity Angling. 12.05 am Tuesday Jazz and Blues: Vic Vogel and his Big Band.

GRANADA

8.30 am European Folk Tales. 9.40 Joe 90. 10.05 Survival. 10.30 Anna and the King. 10.55 The Bubblies. 11.00 Sesame Street. 1.20 pm Granada Reports. 1.30 Exchange Flags. 2.00 Crown Court. 2.30 Home Front. 3.45 Looks Familiar. 5.15 Welcome Back Kotter. 6.00 This Is Your Right. 6.05 Crossroads. 6.30 Granada Reports. 7.00 Emmerdale Farm. 11.30 Barney Miller. 12.00 Late Night from Two.

HTV

8.45 am Joe 90. 10.10 Survival. 10.35 The Flintstones. 11.00 Sesame Street. 12.30 pm Paint Along with Nancy. 1.20 HTV News. 3.45 Looks Familiar. 4.15 Ask Oscar! 5.15 Diff'rent Strokes. 6.00 HTV News. 7.00 Emmerdale Farm. 10.28 HTV News. 11.30 Portrait of a Legend (Paula Clark).

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Trebethau. 4.15-4.45 Camigam. 6.00 Y Dydd. 6.15-6.35 Report Wales. 10.30 Cefn Gwlad. 11.15-12.15 am The Human Race.

SCOTTISH

9.30 am Our Incredible World. 9.50 Tuesday Matinee: "I Will Fight No More Forever." 11.25 Wild, Wild World of Animals. 11.50 Wattoo Wattoo. 12.30 pm Gardening Time. 1.20 Scottish News. 3.45 Looks Familiar. 5.10 Travellers Tales. 5.20 Crossroads. 6.00 Scotland Today followed by Job Spot. 6.30 What's Your Problem? 7.00 Emmerdale Farm. 11.30 Late Call. 11.35 Nero Wolfe.

TSW

8.25 am My Faith in the Cross. 9.30 Larry the Lamb in Toytown. 9.40 Sesame Street. 10.40 Bailey's Bird. 11.05 The Land of Lots of Time. 11.55 The Undersea Adventures of Captain Nemo. 12.30 pm Bygones. 1.20 TSW News Headlines. 3.45 Welcome Back Kotter. 5.15 Gus Honeybun's Magic Birthdays. 6.20 Crossroads. 6.00 Today South West. 6.30 Looks Familiar. 7.00 Private Benjamin. 10.32 TSW Late News. 11.30 Nero Wolfe. 12.25 am Postscript.

TVS

9.35 am Spread Your Wings. 10.00 Alice in Wonderland. 10.50 Tarzan. 11.45 European Folk Tales. 1.20 TVS News. 3.45 Looks Familiar. 5.15 Radio. 5.30 Coast to Coast. 6.00 Coast to Coast (cont.). 7.00 The Real World. 11.30 Brass in Concert (Grimethorpe Colliery Band). 12.15 am Company.

TYNE TEES

8.20 am The Good Word. 8.25 North East News. 9.30 Bailey's Bird. 9.55 Bill, Peggy, Royal and Friends. 10.20 Morning Movie: "Wombling Free" starring David Tomlinson and Frances de la Tour. 11.50 Sally and Jake. 1.20 pm North East News and Lookaround. 3.45 The Riordans. 4.15 Cartoon Time. 5.15 Survival. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 11.30 The Two of Us. 12.00 Four Faces of Holiness.

YORKSHIRE

8.30 am Larry the Lamb. 9.40 Sesame Street. 10.40 Patterns. 11.05 Wilderness Alive. 11.55 The Undersea Adventures of Captain Nemo. 12.30 pm Looks Familiar. 1.20 Calendar News. 3.45 Calendar Tuesday. 6.15 Benson. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 11.30 Barney Miller.

RADIO

(S) Stereophonic broadcast (when broadcast on vhf)

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 8.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 Paul Burnett. 3.30 Steve Wright. 5.00 Peter Powell. 7.00 Talkabout. 8.00 David Jensen. 10.00-12.00 John Peel in Liverpool (S).

RADIO 2

5.00 am Colin Berry (S). 7.30 Ray Moore (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News; Sport. 6.00 John Dunn (S). 8.00 The Golden Age of Hollywood (S). 9.00 Listen to the Band (S). 9.30 The Organist Entertains. 9.55 Sports Desk. 10.00 The Arthur Askey Show. 11.00 Brian Matthew with Round Midnight. 1.00 am Big Band Special (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (cont.). 9.00 News. 9.05 This Week's Composer: Chopin (S). 10.00 Cambridge University Chamber Choir (S). 10.30 BBC Northern Symphony Orchestra (S). 11.40 Allegri String Quartet (S). 12.30 pm BBC Welsh Symphony Orchestra Concert, part 1 (S). 1.00 News. 1.05 Six Continents. 1.25 Concert, part 2 (S). 2.20 Bartok piano recital (S). 3.15 English Music for Strings (S). 4.25 Jazz Today (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.0 Elective Affinities by Goethe, abridged in five parts. 7.25 Music by Debussy and Liszt, part 1 (S). 8.25 That in Aleppo Once (short story by Vladimir Nabokov). 8.50 Debussy and Liszt, part 2 (S). 9.45 Words. 9.50 Music in our Time (S). 11.00 News. 11.05-11.15 Frans Bruggen (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Tuesday Call (Wildlife in Spring). 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service. 10.45 The Stranger. 11.00 News. 11.03 Thirty-Minute Theatre. 11.35 Wildlife. 12.00 News. 12.02 pm You and Yours. 12.27 Detective. 12.55 Weather, travel, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Ann Veronica by H. G. Wells (S). 4.00 News. 4.02 Sweet Spring (S). 4.10 The Waggoners. 4.40 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News including Financial Report. 6.30 Brain of Britain 1982 (S). 7.00 News. 7.05 The Archers. 7.20 Medicine Now. 7.50 Animal Language (S). 8.20 The Test of Freedom. 9.05 In Touch. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Semi-Circles with Paula Wilcox, David Wood. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

THE ARTS

The Prado, Madrid

The Greek

by WILLIAM PACKER

The appellation is both unique and paradoxical, for there has been no one else of any nation ever to enjoy so complete and absolute a distinction: and yet, while we use it still to mark and celebrate the achievement of one of the greatest of painters, we do so rather by virtue of the natural separateness of the conspicuous stranger in a foreign city, and even now it continues to shroud somewhat his identity. Domenikos Theotokopoulos is not after all the name that springs immediately to the mind of every admirer of El Greco, be he never so devoted, and what is known for sure of his life adds but little substance to that shadowy figure.

He was born in Crete, then part of the Venetian Empire, in 1541, migrated to Venice itself as a young man to study further, spent some years in Rome, and then at some time around 1576 moved on to Spain, settling in Toledo, until so very lately the Royal Capital, and remaining there until his death in 1614. But the actual circumstances and condition in which he led that life have remained unclear, the subject more of legend and conjecture than of knowledge and a true reading of the paintings. Though we know him to have been prolific in his maturity, and indeed successful, the evidence is the work itself, to which there is little to add.

It is hard to believe he did not remain a figure of some substance for later Spanish painters, for his work remained accessible, and it is reasonable to argue an effect, but for the rest his name faded over subsequent generations to the condition of a mere local, half-remembered celebrity, critically discounted, difficult, mysterious, eccentric, possibly even mad. His international rediscovery and critical reappraisal are creatures of comparatively modern times.

Such obscurity is of course irresistible, and the search for the biography is bound to continue to engage the energies of many historians of art for a long time yet. Good luck to them, and indeed much new material has already been uncovered: but the true subject of criticism and appreciation is, as it must always be, the work.

The exhibition "El Greco of Toledo," which has just opened at the Prado (until June 6), claims for itself "a new interpretation of El Greco's art, based upon years of research": but that turns out to be essentially an historical rather than visual exercise.

All artists are people too, and must be of their time and place, at least in some degree; and it is a worthy, useful and obvious thing to seek to place them in their immediate context, social, political, theological or whatever. But a learned catalogue is not an exhibition, and it is hard to see here quite how the argument is advanced by the paintings on the wall.

But the exhibition does indeed give us the paintings, quite splendidly, in a collection unlikely ever to be assembled again. It is a joint international enterprise, and the first to involve the Prado with a commercial sponsor. Under the direct patronage of HM Juan Carlos I of Spain and President Reagan, the Spanish Ministry of Culture and the American National Endowments for the Arts and the Humanities, with substantial support from the American Express Foundation, have brought together some 66 major works by El Greco, half of them from Spanish collections, the rest mainly from the U.S., and we must make of them what we can.

And what emerges immediately and most forcibly is El Greco's painterly authority, by which we mean his technical capacity as a painter to stop us in our tracks, not by dramatic imagery or literary effect, but simply the paint as put onto the canvas. It is all so much more simple and direct, and so much more physical, than any prior knowledge of his work by reproduction, or even a close familiarity with certain individual works, might lead us to expect. The old questions of astigmatism, arbitrary distortion, and disturbed expression all fall away before these straightforward freely-painted, firm and confident images.

They ask more questions than they solve, for great art is always richly ambiguous. The rich surfaces, the strong colour and heavy tonality bring with them the after-image of Venice, of Titian and Tintoretto in particular: the softness, delicacy and discretion of drawing and modelling cast us forward to Velasquez, and with the ecstatic expression and swirling compositions to Murillo. The directness of statement and application take us on to Goya, and on again, with the weight of symbolism, and the sheer graphic bravura and freedom of composition, even to Picasso. El Greco, as it were the stateless foreigner, was the one, perhaps, who opened the door through which Spanish Painting could join the European tradition.

There are many masterpieces in the show that between them cover the major portion of his career: the stormy view of Toledo (from New York), with its curious, perhaps fanciful echo of the Giorgione Tempest, and alongside the quite extraordinary view and plan of the city, from the Greco Museum in Toledo itself. There is a spectacular sequence of portraits, most especially the late painting of Fray Hortensio Paravicino (from Boston). There is the Toledo (Ohio) version of The Agony in the Garden, and the New York Disrobing of Christ, St Louis of France from the Louvre, and the several Marys Magdalen. The cope of San Ildefonso (El Escorial) is knocked in as freely and lightly as a Manet. It is easy to supply a catalogue, and as pointless.

Inevitably the exhibition itself proposes a trip to Toledo, and the complementary exhibition there, at the Hospital de Tavera, "El Toledo de El Greco," supplies the ready excuse. Toledo alone is excuse enough, especially when we realise just how little of El Greco's work that survives in Toledo has been taken for the Prado show: two only of the Apostle series—the rest remain in the sacristry of Toledo Cathedral, with its version of the Disrobing, and alongside Goya's Arrest of Christ. And in the Church of St Thomas is the great Burial of Count Orgaz, the masterpiece of them all.

After Madrid, "El Greco of Toledo" is to tour America for the rest of the year, going first to Washington, then to Toledo, Ohio, and at last to Dallas. Without American Express, I could not have seen it.


'Laocoon', c. 1610, by El Greco

Belgrade, Coventry

Lady Chatterley's Lover

by MICHAEL COVENEY

The cover of the 1982 Penguin reprint of Lawrence's novel declares that what follows is "now a sensual film starring Sylvia Kristel." So does the whirligig of time bring in his revenges. I happened to be reading D. M. Thomas's *The White Hotel* on the train up to Coventry—now there's a *really* good sexy novel — and fell to pondering what sort of soft focus fate might be in store for the Booker Prize contender — his work is already on the studio floor. "Now a dream of a film for all the family, the ultimate sang Freud experience."

If the stage version is presented at Coventry, Mr Thomas can expect a decent, considered hearing for his text. The banality of Lawrence's erotic language, the threadbare discussion of sexual orgasm and awakening physical urges proves no problem at all to the adaptor, Keith Miles, or the director, Robert Hamlin. The stage is dominated by the gaunt, bare trees of Wragby Forest, with interior scenes confined either to the side of the stage or the central revolve. John Bell's design is both evocative and functional.

If *Lady Chatterley* finds her new life in the arms of Mellors the gamekeeper, the parallel discovery of a social purpose by her crippled husband, Sir Clifford, is given almost equal weight by the production. This ensures a strong dramatic ebb and flow to the action, with Bruce White's short-tempered, ultimately fanatical Chatterley clinging to the bosom of Joan Campion's accommodating housekeeper Mrs Bolton.

The famous nude scene in the storm-tossed forest is fleetingly and almost tastefully performed by Maureen Beattie and Conrad Asquith. The former makes of Connie an interestingly prim character progressively unlocking herself as the play proceeds until she lies fully relaxed in a bathing suit in Venice discussing her maculate conception with her father (an extremely adroit cameo from Raymond Bowers). Conrad Asquith's Mellors is a noble study in taciturnity, building to a moving climax (*sic*) as he recites the final eloquent letter.

The only key characters who do not appear are Connie's sister, Hilda, and the painter Duncan Forbes; the adaptation cleverly fills them in nonetheless. The mood of illicit ecstasy is admirably maintained and it is a sure sign of the evening's success that those passages were no less effective than the severely contrasting views of the industrial revolution in the Midlands articulated by Sir Clifford and his sourly idealistic game-keeper.

Wigmore Hall

Portsmouth string quartets

Three years ago the City of Portsmouth held its first International String Quartet Competition. The second has just taken place; various prizes went to quartets from Czechoslovakia, West Germany, the U.S., France and China, but the winners were the young Hagen Quartet from Austria, who duly appeared on Sunday at the Wigmore Hall.

Aged between 15 and 19, they include two brothers and a sister—perhaps Annette Bik, the second violin, lives next door in Salzburg, where Hagen père is Professor of Viola at the Mozarteum. Even admitting paternal advantage and sibling support, though, one had to be astonished at the poise and maturity of the Quartet.

They offered an eminently serious programme. In Mozart's D minor Quartet K.421, the electrifying contrast—perfectly judged—between their initial *sotto voce* and full, plangent *forte* suggested at once something out of the ordinary. The whole reading proved both imaginative and severely consistent: their ensemble was quite unanimous, firmly led by Lukas Hagen, whose insistently sweet tone is ransomed by the incisiveness of his phrasing.

In the Finale he endowed Mozart's line with a negligent patrician glamour that will stick in the mind's ear. Kodaly's Quartet No. 2 provided more spotlit opportunities for the viola and cello, Veronika and Clemens Hagen, which they took full-bloodedly and stylishly. The impassioned performance, admirably controlled, brought out the best—Bartokian—side of the work.

Big, spread chords sometimes betrayed doubtful pitch; otherwise the Quartet's technical equipment seemed irreproachable. The 2nd "Rasumovsky" Quartet of Beethoven, which is uncommonly generous to the second violin, showed Miss Bik to excellent advantage, and in general to dovetailing of parts remained impressively seamless. Again a performance of grown-up substance, with almost the full measure of gravity — their ripe account of the Molto adagio should have been preceded by an Allegro with the full repeats they denied us. The Scherzo was both strong and lyrical, the Finale almost too elegantly jaunty but carried off with panache. I have not heard a quartet so precociously mature; an exciting future is on their cards.

DAVID MURRAY

Mark Taper Forum, Los Angeles

Tales from Hollywood

by B. A. YOUNG

Christopher Hampton's tales commissioned by this theatre, are about the German literary refugees who came to Los Angeles during the war. The main figure among them is Heinrich Mann, who descends with dignity into poverty while his younger brother Thomas remains wealthy and influential; other people of the time, Brecht, Weigel, Feuchtwanger, appear as supporting players, and even better-known, if not greater, figures like Greta Garbo, Johnny Weissmuller, Chico and Harpo Marx are used as comic props.

The scene is observed by Odön von Horváth, whom we see at the start of the evening standing under a tree in the Bois and not being killed by a falling branch. Where would Horváth have gone if he had in fact not been killed? To America, of course; and so does Mr Hampton's fictional creation, charmingly played by Paul Sorvino, a plump, likeable creature showing the characteristic Hungarian quality of getting quietly to the top.

He is friend and helper to all the emigrés, and so is able to act as a narrator and tell us background detail. He also succeeds as a screen writer, having survived an initial disaster when he is asked to do a treatment of Edward II without making him gay.

The play is full of good lines (Brecht, for instance, on screen writing: "You have to write badly, but you have to write as well as you possibly can.") and full of good situations. I would have liked it better if there had been less in it. The Mann brothers are worth a play of their own, Heinrich, beautifully played by Joseph Maher in the image of an elderly English intellectual, is plagued by the antics of his drunken wife Nelly (Linda Carlson), who dives head first into trouble and tries suicide whenever she can't avoid the consequences; Gordon Davidson, the director, equates them with the sad principals of *The Blue Angel* and gives them appropriate background music.

Thomas, living comfortably in Pacific Palisades, stays safely within the bounds of literary eminence, a man to sit on committees and discuss the phraseology of clauses. David Hooks's performance keeps him at the zenith of respectability. It seemed to me irrelevant that he met Weissmuller or the Marx Brothers.

Gerald Hiken gives a fine, spiky performance as Brecht, contemptuous of everything around him but convinced that this world, like any other, owes him a living. Mr Hampton has fun with him by surrounding him with his own tricks; the house lights are raised to show him slouching around the auditorium, or a banner is raised with a characteristic Brechtian caption when he takes the stage, looking like an untidy version of Bernard Levin.

I felt that Mr Davidson, like Mr Hampton, has tried to put too much into what might more effectively be a simple production. You can be in Hollywood without vast screens full of evocative slides; the small sets (Peter Wexler, designs) brought on quite openly by stage-hands are enough. The style varies between circus comedy, Weissmuller swinging on at the end of a rope, and straight representational drama, sometimes comic, often not. Horváth's interview with the director who commissioned Edward II, Brecht and Horváth discussing the drama in a bar, Nelly's ultimate confrontation with the law, movingly played by Miss Carlson, though with too little suggestion of the European Jewess—these are fine scenes, and the playing throughout is handsome. It needs now to be put through a strainer so that the good remains and all the frivolous decoration drops away.

Albert Hall

Elijah

by RONALD CRICHTON

The BBC in its wisdom put on a Sunday evening *Elijah* in the Albert Hall and drew an audience of the unremarkable size usual for the Corporation's admirable contemporary music ventures. Has the public for *Elijah* disappeared, and was the interest aroused in the late 1960s by the Philharmonia performance and recording with Fischer-Dieskau a flash in the pan? One hopes not, for now that there is no compulsion to regard Mendelssohn's last great work as one of the highest peaks of European music, there is plenty to enjoy in his superb craftmanship, in the melodic grace which need no longer be smothered in lofty sentiment, and in much lambent orchestral writing of a picturesqueness worthy of the composer of the Hebrides overture.

The error in Sunday's decent performance lay in the choice of place. *Elijah* (born in Birmingham Town Hall) was no doubt performed often enough in Kensington, but the former associations of grandeur, solemnity and official sanctity are now entirely wrong. Mendelssohn was not one of the great Romantics. His musical roots lay deep in the previous century. His connections with the visual arts were not with Delacroix and Géricault or Blake and Turner but more with the peaceful Nazarenes. His music does not need the vastness, the echo and partly fortuitous mystery which the Albert Hall bestows on Berlioz or Mahler. It needs the close-up clarity which makes the Festival Hall, for instance, unsatisfactory for the two composers just mentioned.

And so, on Sunday, though conductor Brian Wright and the BBC Symphony Orchestra and Chorus were clearly sympathetic to its charms such a beautiful page as the "Blessed are the men who fear Him" chorus sped by in a grey limbo. Nowadays *Elijah* needs not a laying on of hands but vigilant attention to detail and balance together with an intensity more easily found in a fine string quartet than in a large body of performers gathered for a once-hallowed, semi-religious rite. The chorus words were dull and sometimes sloppy. There were some lovely orchestral solos and some brass playing suggesting a clutch of Fafners. Quick tempi had a tendency to go jaunty.

Thomas Allen was the baritone. The secrets of projection in this hall remain unfathomable. They have nothing to do with quality or volume and little to do with personality (which in the opera house Mr Allen certainly does not lack). Yet many lesser singers and artists come across there without any difficulty. Mr Allen was obviously singing finely, but only after a smoothly controlled "It is enough" did the potentially fiery prophet take over from the terribly nice clergyman.

Helen Walker sang the soprano solos at short notice for the indisposed Linda Esther Gray. Miss Walker showed confidence and superior eloquence—under the circumstances one could hardly demand the steadiness and purity which Mendelssohn expected from Jenny Lind in "Hear ye, Israel." Bernadette Greevy and Ryland Davies were very decent in the way of the performance generally. Some of the best singing came from the unnamed semi-chorus and small-parters.

South Bank Swing Session

The quintet of clarinettist Dave Shepherd will play at the next South Bank Swing Session on Saturday, April 24 at the Purcell Room. Playing the music of the Benny Goodman era with the leader will be Roger Nobes (vibraphone), Brian Lemon (piano), Len Skeat (bass) and Stan Bourke (drums). The concert starts at 7.30 pm.

Festival Hall

Mussorgsky

A year late for the centenary celebrations, but no less welcome for that, the London Philharmonic Orchestra offered an all-Mussorgsky programme on Sunday night that was crowned by two brief appearances of the star himself of the Mussorgskian stage, Boris Christoff.

For a singer in his mid-60s, the voice still has extraordinary resonance and grandeur. Some of its force, and a shade or two of its colour, may be muted; but it has lost none of its richness. It can never be ideal to start into an evening cold and unprepared, with Mussorgsky's *Songs and Dances of Death* (sadly, not the Shostakovich orchestration as advertised, but the old and — as we can now see—relatively turgid Rimsky/Glazunov version). Christoff warmed slowly to the songs, though he found the perfect timbres, bleak and bark-brown, in which to paint the "Trepak;" and there was power to spare when it was needed, in Death's great cry at the end of the Serenade. Both voice and artist, thoroughly settled, came into their own at the programme's end, when Christoff returned to sing the Death of Boris—final fragment of his greatest role which drew again, as it has always drawn, a standing ovation.

The concert had begun with a portmanteau confection, cumbersome but effective, of three pieces played (or at least intended by the conductor to be played, if the audience had allowed him) in movement sequence—framed by Mussorgsky's first and final orchestral compositions (a B flat Scherzo and *Triumphal March*) with the charming *modo classico* Intermezzo, orchestrated by Rimsky, at its centre. Of unusual interest also was a rare performance of *Pictures from an Exhibition* in another orchestration than Ravel's—the very first, indeed, made by Mikhail Tushmalov in 1891, only 18 years after the piano original. It is efficient and intelligently done (though Tushmalov inexplicably omits three of the best numbers. *Gnomus, Tuileries* and *Bydlo*), but it has none of the lightness or the flashing colour of the Ravel: uneasy compromise between orchestra and piano.

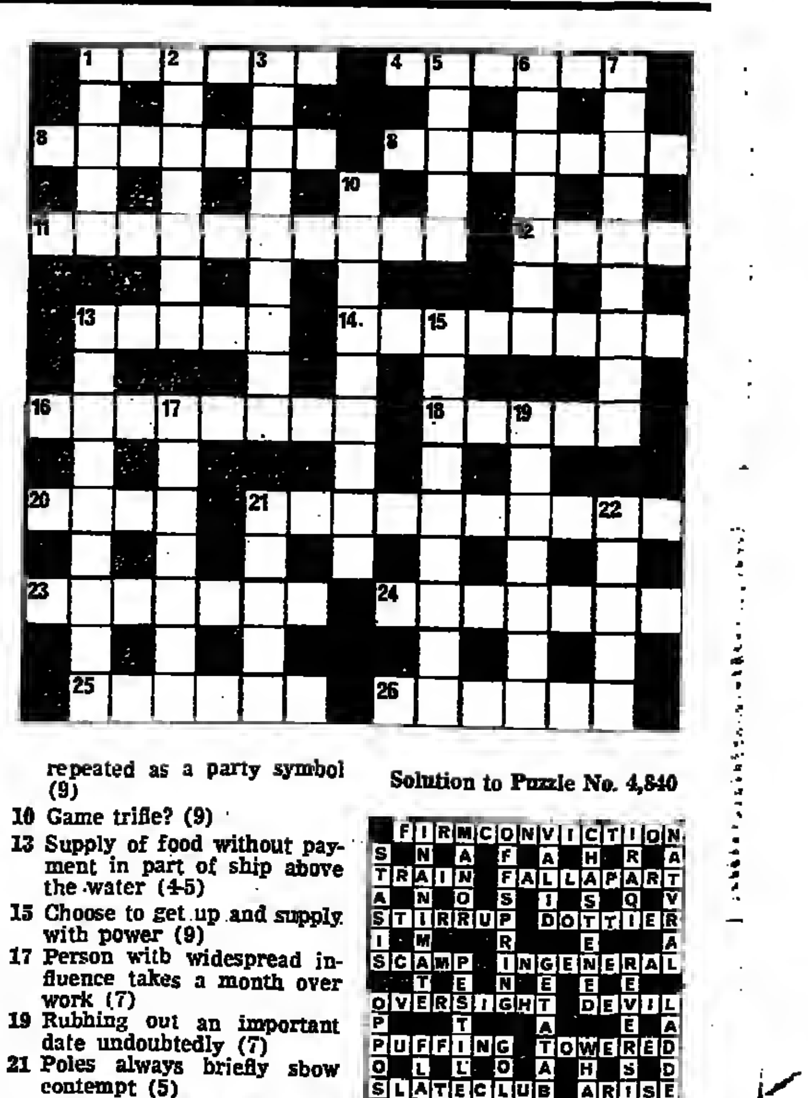
Throughout the concert the RPO's playing was decent but undistinguished; James Conlon's conducting was adequate but unremarkable.

DOMINIC GILL

'Trinity' transfer

Edgar Whites *Trinity*, reviewed on this page when seen at the Riverside Studios in February, opens for a three week season tonight at the Arts Theatre in London. Presented by the Black Theatre Co-operative, the play is in three parts covering events at the Notting Hill Carnival, during a military coup in Africa, and in London and Trinidad in the 1950s.

F.T. CROSSWORD PUZZLE No. 4,841



ACROSS

1 Fly, for example, in a race (6)
4 Class in charge of workers (6)
8 Present passing from person to person (7)
9 An order that seniors relate to their secretaries? (7)
11 Be conscious of a tantiliser, but be calm mentally and physically (4, 2, 4)
12 Airman he follows in pain (4)
13 Madagascan animal pit (5)
14 Dislike a translation (8)
16 Publicly accuse the German lightweight? (8)
18 Correct me in the finish (5)
20 A wager to make good (4)
21 What the coiffeur may try to correct is to be over-fastidious (5, 5)
23 A specimen right for a piece of embroidery (7)
24 Stinging religious person going to punt (7)
25 Biblically regret the loss of a prayer (6)
26 Regard with high respect, but always splitting soldiers (6)

DOWN

1 Harden in river (5)
2 Remainder, twice over in France (7)
3 Compel to study stress (9)
5 Suppose it could be a cask in Old English (5)
6 Long-necked vessel turning up for painting in the main part (7)
7 Understand a saying that's repeated as a party symbol (9)
10 Game trifle? (9)
13 Supply of food without payment in part of ship above the water (4-5)
15 Choose to get up and supply with power (9)
17 Person with widespread influence takes a month over work (7)
19 Rubbing out an important date undoubtedly (7)
21 Poles always briefly show contempt (5)
22 Get out of bad about noon and wash (5)

Solution to Puzzle No. 4,840

FINANCIAL TIMES
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Tuesday April 6 1982

After Lord Carrington

THE RESIGNATION of Lord Carrington is deeply regrettable—as regrettable as the events which left him with no other honourable course. He has been a notable Foreign Secretary, and has earned the highest regard internationally. However, Foreign Office conduct of a policy pursued by successive governments, aimed at a quiet disengagement from the Falklands, has now produced exactly the catastrophe it was intended to avert, and the Foreign Secretary has shouldered the responsibility.

His successor, Mr Francis Pym, is a distinguished and senior minister, but is largely unknown abroad except among Nato defence ministers. His appointment is clearly intended primarily to steady the nerve of the Government's supporters in Parliament.

This is indeed an urgently necessary task, for the Government has been so badly shaken in the past three days as to undermine its capacity for cool judgment and carefully calculated action. Only a government which commands the trust of its supporters can be relied on to base its policies on the true national interest, rather than on efforts to ensure its own survival. Mr Pym, whose temper is trusted and whose influence on the backbenches is unrivalled, is the man best fitted for this internal task. It is fervently to be hoped that he can put an end to the greatest danger of the present situation—that of two governments, rather than simply the Argentine aggressors, driven to extremes by their internal weakness.

Long-term aim

The first point which needs to be re-established, not least among ministers, is that the reassertion of British sovereignty in the Falklands is at best a short-term aim—a riposte to aggression, not a strategy. The crisis has only arisen because the Argentinians perceive as clearly as anyone that no vital British interest is involved; the gravest charge against the Foreign Office is that they failed to convince the Argentinians that the issue could, nevertheless, be resolved only by negotiation.

Heroics at the thirteenth hour, such as the Prime Minister displayed on television last night, cannot alter the strategic facts, and if pushed to extremes simply invite a charge of hypocrisy. Our long-term aim must still be to disengage from this remote area; if the Argentinians have now ruled themselves out as our successors in the islands, then others must sooner or later be sought.

The central issue which the invasion raises both for our national interest and for international peace is simply that of aggression. If such bare-faced attacks were allowed to achieve their ends, then the consequences would be grave not just in one or two remaining British outposts, but for peace in many areas—not least in the South American subcontinent itself. The main aim of the British task force is simply to lend credibility to the intense diplomatic pressure which will be led by the U.S. to persuade or bully the Argentinians into withdrawal. It is another sad comment on the tone of British negotiations that it was only yesterday, when the fleet was at sea, that the Argentinians began to believe in the possibility of retaliation.

Difficult issues

British diplomacy, then, and ministerial rhetoric should be directed in the coming days to concentrating world attention on this issue, where we can expect widespread support or acquiescence, and not on the assertion of rights which we do not intend to maintain. The aim of the task force, should diplomacy fail, should be the same—deterrence, and no more. When aggression has been deterred it will be time enough to turn to the more difficult issues of a sensible and durable settlement for the Falklands, and to digest the lessons of the affair for British diplomatic and defence policy.

Mr Pym's appointment is significant for this longer-term discussion, too. He was removed from the post of Defence Secretary because he was unhappy about the constraints that were being imposed on defence spending. The balance between conventional weapons and nuclear deterrence is certain to be reappraised: that was a clear message from the emergency debate on Saturday. The ships which are now bound for the South Atlantic are not likely to be sold shortly after their return.

Conservative opinion has not only solidified behind a stronger conventional force, but is beginning to turn significantly against Trident and its attendant expense. Only the coming weeks will show how durable is this shift of opinion. Mr John Nott, who has been rather unfairly blamed for the Falklands fiasco, may well be able to regain the respect of the party, but it seems less likely that he can regain his former influence.

No less urgent

However, the central political issue, now that Lord Carrington has resigned, is not the future and influence of Mr Nott, but that of the Prime Minister herself, assuming that she can survive tomorrow's renewed debate in the Commons. It is perhaps natural that her first response to the crisis has been to pin her future on driving out the invaders; but other more important items on the Government agenda can hardly be suspended for the duration.

Some of these matters, such as the impasse in Brussels and the near-impasse in Belfast, remain much as they were last week, but no less urgent for that. The Government and the House will have to turn their full attention to these questions very shortly. Other questions—most notably the economic strategy—may themselves have to be adjusted to the realities of the new crisis.

The initial response in the financial markets has been sober, but none the less telling. The pound has weakened, and long-term interest rates have risen sharply. The cost of any prolonged engagement is likely to be heavy, and must be financed in a non-inflationary way if the Government is not to sacrifice its central achievements to this deplorable side-show.

If the aim of our actions is to show that aggression has an unacceptable cost, then we must remember that resisting aggression has a cost too. This means some unpalatable fiscal decisions. The sooner they are faced, the sooner the Government will be seen to have reasserted its central policies, and the sooner both ministers and Opposition are likely to sober up from the potentially dangerous wave of jingoism which now threatens the true national interest.

THE RESIGNATION OF LORD CARRINGTON

All calculations are upset

By Malcolm Rutherford

Credit: Hugh Routledge

THE endless fascination of politics and diplomacy is the sheer unpredictability of events. Who would have guessed a week ago that Lord Cerrington would shortly resign as Foreign Secretary or that Britain would be going to the brink of war with Argentina?

So far as the Government is concerned, the supreme irony is that this has happened just as it seemed that its fortunes were beginning to recover.

The Budget—less than a month ago—was quite well received, both in the Tory Party and in the country. The party did not fare as badly as it might have done in the Hillhead by-election. It was even slightly ahead in some of the more recent national opinion polls.

On top of that, the first signs were emerging of evidence that the Government's economic policies were starting to pay off. Both the CBI survey of industrial trends, published last week, and the Financial Times Business Opinion Survey, published only yesterday, were the most optimistic for some considerable time.

It had begun to look as if it might be relatively plain sailing until the general election, with the main shadow on the horizon being the performance of the SDP-Liberal Alliance.

Now, all that is shattered. Mrs Thatcher has been obliged to reconstruct her Cabinet in the most difficult of circumstances and the fleet is on its way to the South Atlantic with orders that are as yet undecided. It is no exaggeration to say that the survival of the Government is in doubt.

And yet, in political terms, there is a certain logic in what has happened. Mrs Thatcher's Tory Party is not like its predecessors, though it has some of the old elements in it.

From the start the Prime Minister preferred dealing with the economy to foreign policy. She belongs essentially to the post-war generation and she likes to have people of her own kind about her. She prefers populists to patricians.

Her first Cabinet was an uneasy balance of her own natural supporters and the old style, Macmillan-type Tories. The latter had several attributes in common. On economic policy they were "wet." They were interested in foreign affairs and Britain's role in the world. And they were paternalist-patricians.

Gradually they have been eliminated. Sir Ian Gilmour went from the Foreign Office, Lord Soames was sacked for his handling of the civil service dispute and general incompatibility and Lord Thorneycroft was removed as Chairman of the party.

Lord Carrington stayed but only at the price that he kept out of home affairs, even if he had had time to engage in them. In fact, he was neutralised and it seemed that Mrs Thatcher had at last established a Cabinet of her own mould.

Now that he has gone all calculations are upset. The most striking example is the appointment of Mr Francis Pym in his place. It has all the evidence of not being entirely to the Prime Minister's liking—the acceptance of the unavoidable rather than her ideal first choice.

Mr Pym wanted to be Foreign Secretary when the Goverment was first formed in May 1979 and indeed had been "shadowing" the job in the last period of Tory opposition. He was prevented because Lord Carringten insisted on claiming the post for himself. Mrs Thatcher acquiesced and Mr Pym was given Defence as consolation.

Not long afterwards there were rumours that he was threatening resignation because of the constraints on defence expenditure. Certainly he argued strongly that the Party had given a clear commitment to raise spending in the election manifesto and was in danger of reneging.

Lord Thorneycroft suggested to the Prime Minister that Mr Pym should be made the new Party Chairman with a mandate to prepare for the next general election, but the advice was turned down—an obvious sign of Mrs Thatcher's growing displeasure.

Instead he was made Leader of the House of Commons and given the additional responsibility of co-ordinating the Government's information policy. He performed the first task superbly, but was given little chance at the second. He was not always privy to the inner circles of Government policy-making and was subject to continuous sniping from what can be best described as "sources close to the Prime Minister."

In the long run up to the Cabinet reshuffle last September some of Mrs Thatcher's favourite Ministers speculated that she was now "strong enough to get rid of Francis if she wanted to." That is the man whom she has now made Foreign Secretary.

Mr John Biffen, who replaces him as Leader of the House, is also in some ways tarnished in the Prime Minister's eyes. He began as one of the stars, a close confidant at No 10 Downing Street and Chief Secretary at the Treasury.

But Mr Biffen, who had begun as an economic hawk talking of "three years of unparalleled austerity," was one of the first to conclude that the Government had promised too much and could not get its way in cutting public expenditure. He spoke of "an S-bend rather than a U-turn."

When he was switched to the Department of Trade in January last year, it was at best a sideways move — not promotion. Mr Leon Brittan, who succeeded him, was held to be of altogether sterner stuff and more reliable.

It should be said in passing that Mr Biffen should make an excellent Leader of the House. He has an easy, unconventional, conversational manner, is liked by the Opposition and has a habit of speaking without notes in a way that used to infuriate Treasury officials.

But that is incidental. The fact is that the Cabinet has been knocked for six and Mrs Thatcher has been obliged to put it together as best she can.

> The fact is that the Cabinet has been knocked for six and Mrs Thatcher has been obliged to put it together as best she can

The aim seems to have been to do it with the minimum changes possible in the circumstances. Thus Mr John Nott stays at Defence, though it cannot be for long, for even he has been falling from grace. He was ridiculed in the House of Commons in the debate on the Falklands on Saturday and has yet to come to terms with his Department. Tory mistrust of him has been growing steadily in recent weeks.

Bets might be placed on Mr Michael Heseltine as his eventual successor. He at least has the merit of being a good manager and popular in the Party to boot. Those could be useful assets, since whatever comes out of the Falklands dispute one thing is certain: there will have to be another review of defence policy and of the organisation of the Department.

So much for the personalities. What of the policy implications? We may note what has already been lost or set back in the last few days.

If the crisis had not arisen, Lord Carrington would have been in Luxembourg last Saturday trying to settle the long-running argument over the British contribution to the European Community Budget. He might even have succeeded. Now that meeting has been postponed *sine die* and the impetus has gone.

It is also striking that, for all the talk of Political Co-operation, Britain responded to the crisis without seeking a co-ordinated European approach—not even the suggestion that all Community members should break off relations with Argentina together.

Another casualty, at least in the short-term, looks like being Mr James Prior's move towards an elected Assembly in Northern Ireland, which was officially announced yesterday. True, it already faced opposition from Ulster Unionists, the Catholic Social and Democratic Labour Party and from some Tories. The initiative probably only had a chance if it had full Government backing behind it and a determination to see it through.

Yet now the resistance has increased. Mr Enoch Powell has already linked the issue to the Falklands dispute since both concern British sovereignty, and there were some signs yesterday that he was gaining support on the Tory benches.

There may even be a problem of finding Parliamentary time for the required legislation because nobody knows what is going to happen in the House of Commons in the next few weeks.

An inquiry into the workings of the Foreign Office appears unavoidable. Suspicion of British diplomacy among home civil servants and MPs, perhaps especially in the Tory Party, has been clear for some time. The Office had come to be seen as elitist and remote, perhaps even selling Britain short. The Falkland debacle gives the critics the chance to have a go.

Yet it seems to me that tempers should be first allowed to cool. In the Falklands dispute, until the mess-up last week, the Government was essentially right, just as it has always been right to stress the Irish dimension in the attempt to settle Northern Ireland. It has recognised that Britain has commitments which the country may not always be able to fulfil and has sought to resolve them diplomatically. That is a laudable aim. The obstacle was as often as not the jingoism of the House of Commons.

The main lessons of the dispute so far—and we do not yet know how it will develop—are twofold. The first is that it has not proved possible for Mrs Thatcher and her closest group of Ministers to concentrate so much on getting the economy right while practically forgetting about foreign policy.

Sir Geoffrey Howe, Mr Leon Brittan and Mr Norman Tebbit et al may be comfortable colleagues, but they do not know much about the wider world and some have very little interest in it. The new Toryism — Mrs Thatcher's brand—has not yet found a way of dealing with foreign affairs; nor has it found the people. Hence the slightly uneasy mix in the reshuffle.

The other lesson, which has been apparent in varying degrees throughout Mrs Thatcher's period of office, is that there is still something wrong with the machinery of government. Ministers are not talking to each other enough; nor, it seems, are their departments.

In particular, there is a need for a Prime Minister's office where policies can be co-ordinated and early warning signals received. The Prime Minister is almost pathetically understaffed, though only she can act to change it.

Finally, to return to the unpredictable. What if Mr Michael Foot were to be swept to power in about two months' time on a platform of "You can't trust the Tories"? That is a measure of how far the Government's world has been turned upside down—and just as things seemed to be coming right.

Men & Matters

Pomp and pampas

The British Influence is strong in Argentina even to the style and training of the two navies. But our Harrods is much nicer than theirs. Well, according to Brian Solomon it is anyway.

He had other things on his mind yesterday, particularly the purchase of Morphy Richards, the toaster firm, from Arnold Weinstock and Chaim Shreiber. But he found a moment to remember the days when he pulled Harrods back on to its feet. That was not the store in the House of Fraser chain which Tiny Rowlands seems to want so much but the other Harrods on Calle Florida, Buenos Aires.

Between 1975 and 1979 Solomon spent three months of every year trying to staunch the store's £2m a year losses. He was working for the City merchant bank Grindlay Brandts which had picked up Harrods of Argentina apparently as a result of a loan which went badly wrong back in 1970. The bank was left with an asset, he recalls, which turned into a massive liability.

By following the best British and U.S. practices in the retail business he got the store right by 1979 and was able to sell it to some private Argentinian investors for about £18m.

But is Knightsbridge actually repealed in BA? Well, not exactly. It looks like the London store from the outside, says Solomon, and it has about half a million square feet of floor space. Inside, he recalls, it looks no better or worse than any good department store. He added: "Well, I suppose it looks quite upmarket for them."

Owen's angle

What, I wonder, prompted Dr David Owen to suggest that Britain should declare its right to a 200-mile zone around the Falkland Islands and enforce it with a naval blockade?

Could it be that he recalls the Confederation of Fried Fish Caterers' Associations urging him to do just that when he was Foreign Secretary back in 1977?

As this column reported at the time, th ecountry's 12,000 fish fryers pressed Owen vigorously not only to protect the islands but the shoals of Patagonian and long-tailed hake that frequent the surrounding waters.

Apart from threats from the then-ruling Argentinian general, Russian fishing fleets were already catching the hake and selling it to Britain.

David Toulson, the fish and chip shops' spokesman, won the support of the Falkland Islands Committee for the plans he put to Owen for developing a British fishing industry there and ensuring the survival of the country's traditional dish.

But nothing came of it—and as the still-sizzling Toulson reminded me yesterday, the Foreign Office smoothly added in passing: "We think we can hang on to the Falklands to 2000 AD, old boy."

Bully beef

The British won World War Two with the help of regular sustenance from corned beef. The taste has endured and the nation regularly eats £100m worth of the stuff each year—nearly half supplied by Argentina—while devotees of haute cuisine fulminate.

Tesco the food chain is risking a shortage on its shelves but is picking up some public relations points by stopping the sale of Argentinian corned beef throughout its 500 supermarkets until the Falkland Islands crisis has been resolved. "First we had calls complaining that Argentinian corned beef was on sale and now we are being congratulated upon withdrawing it" said a manager.

Corned beef diplomacy is more complicated round at Sainsbury. Acting without prior knowledge of Argentina's agressive plans that grocery group has, within the last few days, told the managers of its 221 stores to run a special corned beef sales campaign, knocking a few pence off the price of each tin.

"Does that mean they'll be opening a second front?"

Stitched up

"It makes a differencewhen the bank manager wants to see you rather than insists on seeing you," Dr Anthony Cameron reflects as he prepares to leave textile group Carrington Viyella to run the Cheshire knitwear company Robert H Lowe.

Leaving CV's main board and its concern with heavy horrowing, physicist and former Rhodes Scholar Cameron will be moving into a much smaller group, strong in liquidity, and where he will have a chance to buy a sizeable equity stake and enjoy some independent action.

Cameron, who previously worked for Shell and William Baird gets his opportunity because the four Lowe sisters who owned 28 per cent of the company—which supplies Marks and Spencer and British Home Stores—wanted out.

County Bank and Refuge Assurance moved in—and summoned Cameron to their side with a telephone call to his holiday hotel o nthe ski slopes of Grendelwald.

Pawn-broking

Not often, I imagine, that City stockbrokers Phillips & Drew have much to say to Moscow. Or vice-versa. But telex transmissions chattered back and forth between the two for nine hours on Saturday — and the messages have not yet ended.

Occasion for this link between capitalism and communism was the World Cup chess semi-final between England and Russia sponsored by Phillips & Drew and merchant bank Duncan Lawrie.

The England team set out their boards at P & D's offices and moves were exchanged by telex. Three of the eight games were adjourned but Russia is expected to go through to the final by 4½-3½.

Some of the long-distance contestants may face each other at closer range at County Hall later this month at the Phillips & Drew Kings chess tournament sponsored by the stockbrokers and the GLC. World champion Anatoly Karpov and former world champion Boris Spassky will be in the international field competing for £12,500 in prizes.

Thuper idea

From a jeweller's advertisement in New York newspaper: "If she's clever with her needle, give her a solid silver slatus thimble.

Observer

THE RESIGNATION OF LORD CARRINGTON

A juggling act that failed

By Hugh O'Shaughnessy, Latin American Correspondent

A group of Falklanders in a street in Port Stanley with Argentine troop carriers behind them.

IN THE present atmosphere of generalised recrimination in London over the Falklands affair it is all too easy to forget that for a decade or more—under successive governments and successive foreign secretaries British diplomats in London, Buenos Aires, Port Stanley and the UN were able to carry through, with almost miraculous success, a policy of balancing a welter of contradictory interests.

With the ease of consummate jugglers the Foreign and Commonwealth Office was able to keep a dozen balls in the air. With hindsight these diplomatic jugglers can be faulted for one thing. They did not realise how close the Argentines were in recent weeks to tossing a hand grenade in among the balls and blowing the act to pieces.

Any British policy towards the Falklands had to take account of the fact that it was a sparsely populated and remote colony whose economic potential was probably very small.

Lying 8,000 miles from London and a few hundred miles off the coast of a militaristic country which had never given up its intention one day of taking it over, the Falklands were never defensible except at the cost of a large fraction of the British military budget that was disproportionately large in comparison to any possible accruing benefit.

Ever since the Argentine claim to sovereignty over the islands was renewed in the 1960s, British policy therefore was bent to the task of saving face and arriving at a settlement which would reconcile as far as possible the irreconcilable.

On one hand were the Falklanders themselves, a tiny dwindling group of people, hardworking but not given to great initiative, enterprise or imagination, passionately attached to their lonely but attractive British way of life as sheepfarmers.

They were unwilling — or perhaps unable — to absorb the changes going on in the mother country and in their close neighbour Argentina about which they knew little and cared less.

Their numbers had fallen from a peak of 2,400 in 1931 to no more than 1,800 this year. Of the latter only about three out of four were native born. The tiny workforce the population could field was thus barely able to maintain the viability of the community and many had to take two or more jobs.

On the other was a politically turbulent, economically chaotic Argentina of 27m people fighting never with very great success to establish its own identity out of a succession of waves of immigration and conscious of never being able to realise the abundance that the world had expected them to produce from the time when, in the 1900s the word Argentina was synonymous with Eldorado.

For all its posturing Argentina was, nevertheless a place where many British investors, from Shell to British American Tobacco, had done spectacularly well. It was also able to provide lucrative contracts for warships and other items.

Behind both communities — the tiny one and the large one — lay powerful interest groups. Few people had much complimentary to say of the Falkland Islands Company which owned half the land area of the islands, ran the shipping and foreign trade and had the sole franchise for everything from pesticides to Mars Bars. The Falklands political lobby was very strong in London.

It embraced — and indeed embraces—a broad spectrum of British political sentiment from imperial minded Tories on the right, through the centre, to many on the Left. The latter, uninterested in colonialism, were nevertheless unwilling to allow Falklanders to fall into the hands of militaristic government long used to assassination as an instrument of policy.

The Argentine interest embraced those who trade, lent to and invested in Argentina and the tens of thousands of Anglo-Argentines who saw the Falklands issue as a blot on their relations with Argentina. They were unconcerned how Britain and Argentina should resolve the issue as long as it was resolved with the minimum of fuss.

Caught therefore in the centre of this nexus and aware that there was precious little international appreciation of the British position the FCO did what it could — and did it brilliantly for a long time.

The diplomats sought to win time from the impatient Argentines by a carefully graduated programme which involved Argentina in island life, conscious that there was no future for the islands outside some sort of global agreement with the mainland. This at least would assure the islanders' rights and permit the development of the fisheries, oil and minerals in the region.

YPF, the Argentine state oil company was given the job of fuelling the islands, ADE, the Argentine air force's feder airline, was allowed to run a service, at one point twice a week, from Comodoro Rivadavia on the Patagonian coastline to Stanley. The islanders were allowed and indeed encouraged to send their schoolchildren and their sick to Argentine schools and hospitals—there were few enough on the islands.

The theory was that in this way the insular Falklanders would get to know their neighbours and the Argentines would see that the British contention that the islanders did not want Argentine rule was right.

As diplomatic discussions under the aegis of the UN kept the increasingly impatient Argentinians talking rather than invading, all sorts of pressures were put on the Falklanders to accept some sort of *modus vivendi* with Buenos Aires. The pressures were to be strong enough to make the Falklanders rethink their future and perhaps emigrate in such numbers as to push the community below the precarious level of viability around which it was hovering.

In that case the FCO would have had the evidence it needed that the Falklanders had given up. The way would therefore have been open to graceful cession by Britain of a territory for which its metropolis and its inhabitants had no more use.

The pressure had all the time to be subtle enough to prevent the powerful Falkland Islands lobby in London from producing hard evidence of a diplomatic sellout of the tiny and politically emotive community.

Last year a solution was nearly reached. Mr Nicholas Ridley, succeeding the Labour Minister of State Ted Rowlands as the politician responsible for the Falklands, got an agreement with Buenos Aires for a "Hong Kong solution." Under this titular sovereignty would pass to Argentina against a long lease which would allow a generation or two of Falklanders to continue their lives under British administration.

Tragically that solution was not acceptable to the Falklanders who, unaware of growing Argentinian impatience and unwilling to believe that a platoon of Royal Marines were not capable of routing any military force "the Argies" could throw at them, preferred to cling to the *status quo*.

In Argentina in December an ambitious general, Leopoldo Galtieri, elbowed his way into the presidency committed — with his bellicose foreign minister Nicanor Costa Mendez — to carve his name on the tablets of Argentinian history. He drew conclusions from the 1981 British defence cuts, the decision to sell HMS Endurance and Treasury pressure on the British Antarctic Survey to axe its scientific efforts. His plan was soon clear, reported in the Argentinian press and reprinted in British newspapers.

If no solution was reached with Britain, General Galtieri would call the bluff and invade. Quite why such clear signals from Argentina did not immediately lead to a quiet reinforcement of the British naval presence is still a mystery.

Perhaps it was thought in Whitehall that it would have been futile for any but the biggest show of military and naval force to have been mounted against the Argentine, and that the sending of an odd flotilla would have meant that such a flotilla would have been vulnerable to being blown out of the water by the few modern, British-built vessels of the Argentine navy.

Perhaps the decision was taken to make a last bid to avoid provocation and reach a negotiated settlement with Argentina. Whatever the reasons behind the decision it was a wrong one which allowed a military dictatorship generally ill-regarded by the world at large, to invade and crush a small, peaceable and democratic community.

The platoon of Royal Marines was not quite enough to beat off the Argentine attack and the FCO's years of manoeuvering were set at nought.

The downfall of the diplomats' diplomat

By David Tonge, Diplomatic Correspondent

"King in the making or king-maker," read one British headline this winter about Lord Carrington. In the public eye he was perhaps the most successful British Foreign Minister since the war. Now, however, he has become the first holder this century of his 200-year-old office to be forced by failure to resign.

To many foreigners it may seem absurd that a man who proved so solidly competent on the major issues of the time such as East-West relations, the Middle East or South Africa should be driven from office because of a dispute few had ever heard of.

For the British there is the added irony that a man whose title and languid manner seemed to symbolise the days of Empire, should fall from office over an imperial outpost.

Yet he remains the man who started with the triumph of bringing independence to Zimbabwe and then had gone far to give Britain a voice in world councils.

History may eventully reveal that the Zimbabwe settlement did not quite come out as Lord Carrington originally intended. At Lancaster House he had seized the initiative and driven both sides down a course in which neither had faith. But the Foreign Office also under-estimated the strength of support for Robert Mugabe—and, but for Lord Soames's intervention, would probably have pressed for him to be banned.

That said, Lancaster House was a notable achievement—and it encouraged Lord Carrington to look elsewhere. His conviction that the Palestinians in general and the Palestine Liberation Organisation in particular had to be brought into the peace process helped the EEC to develop its own distinctive policy to the area.

Now this policy appears to have run into the sands. But it was valuable for keeping a dialogue open between the Arabs and the West at a time when the U.S., because of the Camp David process, was widely distrusted in the region.

Equally, it was important for another reason—it symbolised the effort Lord Carrington gave to ensuring that the European Community developed a joint foreign policy.

History was not to prove kind to the policies of moderation which Lord Carrington came to symbolise. The continuing row over the EEC budget undermined the European strand of these policies. The Soviet invasion of Afghanistan and the crackdown in Poland damaged his attempts to ensure East-West co-existence.

But, in retrospect Lord Carrington may well be remembered best for something which has so far received little publicity the role he played in restraining the raw Republican Administration which came to office in the United States.

In many ways he had to deal with this Administration in the same way as he had to deal with his own Prime Minister, tempering hard nosed instincts with the realities of the world outside. One success of this—more important in the Third World than closer to home—was when he persuaded the new American Administration to join Western attempts to get South Africa to negotiate over Namibia.

> ❛History was not to prove kind to the policies of moderation which he came to symbolise❜

More important, in the past three months Britain has helped prevent a crisis breaking out in the Atlantic Alliance over responses to the Polish crisis.

Neither the Western Europeans nor the Americans appeared to understand the depth of feeling of the other—and Lord Carrington found himself acting as one of the more crucial bridges. True, Mr Alexander Haig, the U.S. Secretary of State, did call him a "duplicitous bastard." But in less scratchy moments, he consulted heavily with him.

But, as the saying goes, cursed are the peacemakers. Many of the policies Lord Carrington followed were actually out of tune with the mood on at least part of the Tory backbenches.

"In the past two years I have spent one-third of my time abroad, visited one third of the states in the world, and received in London the Foreign Ministers of another third . . . I see my European opposite numbers rather more often than I see some of my colleagues in the Cabinet," he said in happier days.

In a sense the demands of job have grown over the years as its power has declined. Last week, for instance, his original schedule had included three days in Brussels dealing with the EEC budget and a range of foreign policy issues and two days in Israel.

The sheer complexity of many of the issues involved and the need for constant co-ordination with other ministries meant that often he was totally dependent on the advisers around him.

Here he had the advantage in having the virtually unstinting support of an office whose aristocratic spirit he so perfectly represented. His disadvantage may have been that he trusted this office too much "With the possible exceptions of the Prime Minister and the Chairman of the England Cricket Selectors, I am the most advised man in the country," he recently

In retrospect it is hard to see how his advisers and he so misread the situation in the South Atlantic. The chain between him and Buenos Aires started with Mr Anthony Williams, the Ambassador, and went through the department head, an assistant under secretary, a deputy under secretary and the permanent under secretary.

A new deputy under secretary has recently taken over responsibility for Latin America—though he had no previous experience of the area. It is part of a major reshuffle at the top of Britain's 5,000 diplomats now that Sir Michael Palliser, the Permanent Under Secretary, is shortly to retire with his job being taken over by Sir Antony Acland.

Yesterday senior Foreign Office figures were describing it as scandalous that Lord Carrington should have had to resign. It will, however, take an inquiry to reveal how far they contributed to the downfall of their favourite minister.

Letters to the Editor

The Employment Bill and the closed shop question

From the Director General, British Institute of Management

Sir,—I read with interest and some concern the article (March 29) concerning the Employment Bill and in particular, the author's interpretation of the views of the British Institute of Management on the proposals contained in the Bill. I can only conclude that as he believes our support for these proposals is "lukewarm" he has not acquainted himself with the extensive representations we have made to the Secretary of State and his predecessor at all stages of the preparation of this legislation. These representations were based on equally extensive consultation with our membership.

BIM's sustained stance on the Bill is clear. Far from being occasional allies of the Bill's antagonists, we value its principal intention to eradicate the inequities that are caused when the present position is exploited. We believe that the main features of the Bill make an important contribution to protecting the individual from abuses to which he could be, and has been, subjected under closed shop agreements, and also to providing some protection against the abuse of the power which can be exercised by trade unions because of their privileged position under the law, by defining more clearly what is justifiable action directed towards a legitimate furtherance of a trade dispute.

As we have emphasised in discussions with and submissions to the Secretary of State for Employment and his predecessor, Britain's managers, who deal with trade union members as well as non-unionised employees, daily, and who meet trade union representatives, and negotiate with them, more frequently than other representatives of employers and management, have no wish to attack indiscriminately or thoughtlessly basic trade union rights or legitimate trade union activities. But they have been deeply concerned about the growing tendency to misuse trade union status to an extent that can gravely damage a company's obligations to its customers and its trading relationships, while under special protection of the law.

It is to help limit abuses that we support the main objectives of the Bill: reviews for closed shop agreements, a reduction in trade union immunities, voiding of union-only contract clauses, and the proposed changes to the definition of trade dispute.

We do not, however, support clause 1 of the Bill which provides compensation for employees dismissed between 1974 and 1980 solely on the grounds of their non-membership of a trade union because we do not favour retroactive legislation and also doubt the practicality of examining cases which occurred some time in the past.

Although our members see legislation as providing a necessary framework to industrial relations, they do not expect to have frequent recourse to the law and believe that good industrial relations depends on the observance of agreements and negotiating procedures by both sides and also on a better understanding by both managers and other employees of the prospects and problems of the organisation they work for. This is why we continue to devote our attention to the voluntary development of employee participation.

Roy Close.
Management House, Parker Street, WC2

From the Vice-Chairman, The Freedom Association

Sir,—Your otherwise excellent feature article on the closed shop (March 30) was spoiled by the ambivalence of the key sentence: "Few would argue that their restrictions are likely to boost the efficiency and productivity of British industry." Does "their restrictions" mean the restrictions (placed on closed shops) are unlikely to have an economic benefit? Alternatively, does "their" here mean "of them" that is, the restrictions of them would boost efficiency and productivity? Some may share my doubt which meaning was intended.

A recent study compared the economies of the 30 U.S. States where compulsory unionism still operates with the 20 in which the practice has been made unlawful. It shows compulsory unionism allied with lower employment, a higher prevalence of strikes, fewer housing starts and a flatter rate of income gain over the last 10 years. The differentials are very substantial.

However overwhelming the moral case against the closed shop, it is the economic case which now merits immediate revelation.

Norris McWhirter.
360 Oxford Street, W.1.

Good Parliamentary theatre

From Mr T. Sharpe.

Sir,—The Budget retains its attraction as good Parliamentary theatre but the Chancellor's public teasing is no longer harmless fun. It is superbly effective in preventing informed scrutiny of tax policy and charges; it strengthens the hand of the Chancellor over his Cabinet colleagues; it ensures the domination of the Treasury over other departments and relegates Parliament's role to one of passively observing the consequences.

In 1980 the report of a committee under the chairmanship of Lord Armstrong recommended significant changes to the presentation of the Budget and in Whitehall and Parliamentary procedures. The most important recommendation was that the Government should prepare a provisional budget for publication every December which would permit expenditure and revenue plans to be considered together and allow a longer period for the discussion of proposed tax changes before they took effect. The Treasury response has, so far, been disappointing.

The traditional argument in favour of secrecy applies only to a limited extent. The Budget is no longer simply an opportunity to reveal tax rates and excise duties, it has become the Government's statement of its economic policy and it is not obvious why the information and options open to the Chancellor should not be freely discussed.

In any event the secrecy is unreal: the principal tax changes can be and are anticipated by informed commentators. Its effect is simply that the Government refuses to take part in the economic policy debate for a period of three months each year. The floodgates are then released: on Budget day the details of tax and expenditure plans are released in an avalanche of paper.

In other countries, proposed fiscal changes are announced well in advance of their implementation. The powers of the Provisional Collection of Taxes Act—which enable the Chancellor to announce measures effective "from 6 pm tonight" do not exist elsewhere and we do not need them. As the problems which have arisen in the recent occasions when tax proposals have been subsequently modified demonstrate, these powers reflect the Chancellor's expectation that Parliament is no more than a rubber stamp for his pronouncements.

Thomas Sharpe.
Wolfson College, Oxford.

Company failures and receivership

From Mr A. Herd

Sir,—I can say with a degree of certainty that many of the corporate collapses which have taken place in recent times were not due entirely to the current recession, but rather to an earlier combination of complacement top management, high financial gearing and a general lack of emphasis on financial control. In my experience this latter weakness was particularly apparent in the multi-company type organisations which collapsed, some shortly after the onset of the recession.

I have long believed that the receivership system, as it is currently operated, could be improved and made more equitable to the business community as a whole and, in this respect, I certainly support Mr K. M. Taylor's suggestion (March 30) that floating charges be abolished. Preferential loans are another matter.

Business failures and the consequent heartache and financial loss which more often than not have an adverse effect on shareholders, employees and unsecured creditors simply cannot be blamed on company receivers alone; they are only appointed when a business organisation and its financial backers decide, amicably or otherwise, that the organisation concerned does not have a viable future and that its assets should be converted into cash.

My observations suggest that company managements, as borrowers, and the clearing banks and other institutions who provide the all essential cash in various forms, could and should take a much more serious view of their responsibilities in this respect.

I believe that the abolition of the floating charge might just help to further concentrate the minds of lenders and borrowers alike on the need for corporate funding which is both relevant and balanced.

A. P. H. Herd
2a Strathmore Street
Broughty Ferry, Dundee.

Glaxo more than £20m higher at six months

PROFITS of Glaxo Holdings, pharmaceutical manufacturer, advanced sharply for the six months ended December 31, 1981 the pre-tax figure emerging more than £20m higher at £56.75m, compared with £36.6m previously.

Movements in exchange rates are estimated to have added some £3m to the figure.

With earnings per share for the period coming through well ahead at 19.6p (13.8p) and on a fully diluted basis at 18.5p (12.7p) the group is raising its net interim dividend from 3.75p to 4.5p per 50p share—a final of 7.5p was paid for 1980-81 following a £21.24m improvement in taxable profits to £87.33m.

First half profits this time were struck after a net interest charge £500,000 higher at £1.8m. Interest payable increased by £1.6m to £7m. Associates share of profits advanced from £1.9m to £2.6m and investment income rose by £1.1m to £5.2m after making a provision of £2.4m for a reduction in market value of investments.

Half year sales expanded to £308.8m (£243.7m) with whole-saling by Vestric improving from £96.6m to £111.1m. Trading profits totalled £56m (£36m) including £3.7m from the sale of properties.

Tax took £22.5m (£12.25m) leaving the net surplus at £34.25m (£23.35m). Minorities accounted for £630,000 (£570,000).

The results include all exchange differences except those arising from the conversion of fixed assets of overseas subsidiaries and associated companies which, in accordance with normal group policy, are taken to reserves.

Good progress was maintained in most parts of the world and with most major products. Zantac, the group's new anti-ulcerant, was successfully launched in Italy and the UK and was well received. A joint venture has been formed with E. Merck of Darmstadt which will help expansion in West Germany.

See Lex

HIGHLIGHTS

The Lex column looks at the changed mood on the stock-market amid the Falkland crisis. Following Friday's calm response yesterday it reacted sharply as the political consequences began to be analysed. The column then goes on to examine the results from British Printing and Communications Corporation and the pharmaceutical group Glaxo. BPCC has made a substantial turnround to £6.9m in the second half following the £8.1m midway loss. This follows the survival plan introduced by the new chief executive Mr Robert Maxwell. Glaxo pushed up its halftime profits by 60 per cent to near £57m. This was even more than the bullish market could ignore and the shares finished the day at an all-time high of 556p—up a third so far this year. Lex also looks briefly at BP's annual report and accounts.

Huntley & Palmer down 10%

AS PROJECTED last month in the chairman's letter rejecting the Rowntree Mackintosh offer, Huntley & Palmer Foods has turned in pre-tax profits for 1981 down by 10 per cent from £7.23m to £6.5m. Sales rose by 4.4 per cent from £374.4m to £390.7m.

Mr Gordon Palmer, the chairman, says that the "unsatisfactory" result was attributable to the group's UK operations, where the recession and competition made trading conditions very difficult, and also to interest charges — up from £6.94m to £7.1m.

Over the past two years the board's policy has been to widen the group's interests, in order to become less dependent on the UK market. The chairman says UK profits have been particularly disappointing, despite increased efficiency and the successful launch of a number of new products. Good profits, however, were reported from other parts of the world.

Mr Palmer believes the group's productivity and efficiency is steadily improving. In the short term, its results depend largely on the level of demand that its UK divisions will experience in 1982.

As known, the dividend total is being maintained at 4.44p net per 20p share, with a same-again final of 2.44p. Stated earnings per share, before extra-ordinary items, were 4.4p (6.2p).

UK trading profits declined in 1981 from £10.53m to £7.41m, on sales of £270.9m (£262m), but overseas there was an increase from £2.78m to £3.38m with sales of £92.7m (£88.1m).

Associates' sales were £27.2m (£24.2m) and these contributed £1.46m (£11.1m) to group profits. Tax charge rose from £2.76m to £3.2m. After extraordinary debits of £1.1m (£2.55m), minorities and preference dividends, attributable profits came through at £1.95m, compared with £1.58m.

The ordinary dividend, however, absorbs £3.19m (£3.02m) leaving £1.24m (£1.44m) to be deducted from reserves.

The bids this year for the group by Rowntree Mackintosh and Nabisco Brands, have both been referred to the Monopolies Commission and have therefore lapsed.

● comment

Huntley's official preliminary figures yesterday did no more than put the meat on the results given in the document on March 10 rejecting Rowntree's "unacceptable" offer. They show that it was a timely improvement in overseas performance that offset much of the UK decline and prevented a greater pre-tax embarrassment. Even so, the shares slipped 3p to 94p — compared with the now referred Nabisco offer of 120p. If the confidence for the coming year is for at least a maintenance of the 1981 second half performance, then £9m is within easy reach for a prospective fully taxed p/e of around 16.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—A. Beckman, Scottish Metropolitan Property.

Finals:—Ash and Lacy, William Baird, Bowater, H. Brammer, Chubb, International, Higgs and Hill, Reed Executive, Senior Engineering, William Sindall, Watts Blake Bearne.

FUTURE DATES

Interim—

Land Investors	April 15
Finals—	
Air Call	April 14
Automotive Products	April 8
Beatwood	April 15
Bifurcated Engineering	April 14
Cadycote International	April 20
Beustead	April 20
Carron	April 6
General Investors & Trustees	April 8
Hopkinsons	April 29
Oil and Gas Production	April 14
Parry (Harold)	April 20
Smith (W.H.)	April 29
Taylor Woodrow	April 15
Triplevest	April 7

Macfarlane Clansman improves

DOUBLE SECOND-HALF taxable profits of £1.03m enabled Macfarlane Group (Clansman) to increase full year figures for 1981 to £1.76m, against £1.22m previously. Turnover of this packaging, printing and office supplies group, climbed by £10.74m to £26.94m for the 12 months.

The current year has shown both sales and profits up compared with the same period of 1981 and the board believes the outlook for the group is encouraging.

The figures for the year included for the first time results of Abbotts Packaging, acquired in December, 1980, and financing costs relative to that acquisition.

The final dividend is being raised by 0.3p to 2.3p making a total net payment of 4p (3.7p) per 25p share. Stated earnings per share, before extraordinary items, were 9.71p (14.44p) — if 1980 earnings, however, had been calculated before crediting a non-recurring release of deferred tax, the figure would be 8.48p.

The company's borrowings were cut from £1.96m at the beginning of 1981 to £0.61m at the year end. Interest payments, however, rose from £5,000 in 1980 to £160,000.

Tax charge was £583,000, compared with a credit of £286,000, and after extraordinary items, attributable profits showed a reduction from £1.45m to £1.27m.

Biotechnology company £0.9m placing

Cambridge Life Sciences, a Cambridge-based enzyme technology company, is raising approximately £900,000 by way of a private placing. The issue is apparently the first of its kind by a British group working in biotechnology.

The company said yesterday that a listing on the Stock Exchange for its capital may be sought "in due course."

A total of 390,000 restricted voting shares were placed at £2.50. Technical Development Capital, a subsidiary of Finance for Industry, subscribed for 90,000 shares.

Cambridge Life was set up by two biological chemists, Dr Michael Gronow and Mr William McCrae, to develop, manufacture and market enzymes and enzyme-related products with applications principally in medicine and in food and drink production.

McAnally, Montgomery is advising Cambridge Life.

Losses cut by Prestwich Parker

BOLTS AND nuts manufacturers Prestwich Parker Holdings reduced its taxable losses from £157,563 to £21,581 for six months to December 1981. Turnover remained almost static at £1.19m against £1.17m.

The directors say that liquidity remains strong and on the basis of available information, they are confident that the group is on course for a return to profitability and the dividend list this year — the last payment was an interim of 0.5p net in 1980.

COURTNEY POPE

Courtney Pope Holdings has reached agreement for the acquisition of Allom Lighting, which specialises in the manufacture and supply of high quality lighting equipment.

Consideration is £35,000, partly to be satisfied by 25,000 ordinary shares in Courtney and the balance in cash.

BPCC back to profits of £7m in second half

A CUT in losses, before tax, from £11.28m to £1.22m is reported by British Printing & Communication Corporation for the year to January 2 1982 following a return to profits of £6.9m in the second six months.

This result is better than foreshadowed in a recent circular to shareholders and staff. Then Mr Robert Maxwell, chairman, said that the group has returned to profitability during the second half and indicated that the outturn for the full year would show a loss of £4m.

Group turnover amounted to £198.16m, compared with £213.7m and at the trading level there was a profit of £6.13m, compared with a loss of £1.47m, before exceptional items, and interest of £6.84m (£8.47m). After a tax credit there is a net profit of £1.55m (£11.76m loss), before charging extraordinary items of £15.85m. This gives a total loss for the year of £13.77m which has been met by release of the £14m provision made in 1980.

The extraordinary items mainly comprise redundancies, losses and write-downs of £12.97m and tha cost of four additional plant closures £4.64m. The group loss includes losses of more than £1m incurred at the four plants.

Mr Maxwell says that the improvement in the second half of 1981 came from implementation of the Survival Plan agreed to last April. This has resulted in a reduction of the labour force, including management, by some 3,000. This, together with cutbacks in other overheads, reduced expenditure by some £600,000 per week.

The chairman says that the group has been able to make investments of around £24m and to pay increased wages following implementation of the Survival Plao and the good results achieved. Of the expenditure £16m has been financed by leasing and the remainder paid for in cash.

The closures and reorganisatioo has left tha group with properties, plant and equipment surplus to requirements which are expected to realise some £10m. This will be used to reduce bank borrowings as market conditions permit orderly realisation in 1982 and 1983.

The chairman says that gearing has been substantially improved whereby borrowings have been cut to 65 per cent of shareholders funds, compared with 200 per cent prior to implementatioo of the Survival Plan.

Looking ahead the chairman says at the board is satisfied that substantial further progress will be made during 1982 and for the foreseeable future."

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Arcloectric	0.5	—	nil	0.5	0.23
Bryant Holdings ...int.	1	May 28	0.85	—	3.35
Erith and Co. ...int.	2.75	June 3	2.75	4	4
Glaxo ...int.	4.5	June 18	3.75	—	11.25
Luis Gordon	nil	—	0.5	nil	0.5
Highland Distilleries int.	0.88	June 7	0.8	—	2.6
Huntley and Palmer	2.44	July 1	2.44	4.44	4.44
S. Jerome	2.39	May 26	2.1*	3.23	2.93
G. F. Lovell	4	—	nil	4	3
Macfarlane (Clansman)	2.3	—	2	4	3.7
Phicom	0.15	June 1	0.55	0.3†	1
Rugby Portland	2.65	July 5	2.5	5	4.7
G. Wills	4	—	3	6	4.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

Rugby Cement expands 10.3%

AN IMPROVED second half contribution from overseas interests at Rugby Portland Cement, and lower net interest in that period, resulted in a 10.3 per cent rise in pre-tax figures from £16.86m to £18.6m for 1981, reports Lord Boyd-Carpenter, chairman.

After a £458,000 reduction in interim pre-tax figures the second half results improved from last time's £7.53m to £9.73m.

The distortion in the pattern of trade causad by the lengthy spell of bad weather earlier this year in the UK makes it difficult to determine the current level of demand, says Lord Boyd-Carpenter.

However, be adds that eome modest confidence seems to be returning to the building and construction industry. In Western Australia the year has started well, he says.

The total net dividend is being lifted from 4.7p to 5p by a higher final of 2.65p (2.5p). Earnings per ordinary 25p share are given as being down from a restated 12.4p to 12.1p.

Turnover rose by £16.1m to £144.57m. An analysis of turnover and trading profits £18.71m (£17.21m) sbows: UK £120.02m (£112.36m) and £14.87m (£14.31m); overseas £24.55m (£16.11m) and £3.89m (£2.91m).

Interest received and investment income totalled £4.16m (£3.63m) and interest paid amounted to £4.52m (£3.87m).

Associates contributed £194,000 this time, against a previous loss of £111,000.

The charge for tax was higher at £3.99m, against £2.84m. The increase was due to lower capital allowances and reduced stock relief.

Minorities took £211,000 (£172,000). Extraordinary debits fell from £920,000 to £595,000. Lord Boyd-Carpenter says the debit arose from the decision in March to cease production of cement on the old side of the Rugby works.

On a current cost basis pre-tax profits are sbown at £10.7m (£10.2m) and earnings per share at 5.5p (6.6p restated).

● comment

In a difficult market, Rugby has managed a 29 per cent pre-tax profit increase in the second half of 1981. This improvement, coming on top of a 5 per cent volume decline, was won from efficiency improvements throughout the group and a recovery in Australia. Further profit growth for the group is likely to be fairly slow. The overhanging threat of import competition bas ruled out any more price increases this year. Even though tbe decline in industrial nse of cement bas been offset by the growing repair and maintenance business, margins are no better in this sector than the traditiooal one. Rugby bas been pouring money into its business—net capital employed jumped from £107m to £150m between the end of 1978 and 1980—in order to move to more fuel efficient processes. It now bas to address its return on this capital, which bas sunk from 17 per cent in 1979 to 12 per cent last year. The shares fell 4p yesterday to 85p, where they yield more than 8.5 per ceot. Assuming £19.5m pre-tax on the current year, the sbares trade on a p/e of 10.75.

Authority Investments

After pre-tax profits at Authority Investments moved ahead from £118,572 to £433,293 for the year to September 30, 1981. Turnover was lower at £2.13m against £3.09m.

Earnings per ordinary 20p sbare were stated higher at 8.66p, compared with 2.37p.

The profit contributed by banking activities rose from £5,505 to £503,619. This included an unrealised profit on re-organisation of group borrowing of £5m, less a provision for a guarantee to a banking subsidiary of £4.58m. Knowsley and Co contributed £33,224 (£5,505).

Profit contributed by other activities included operating profits of £4,387 (£32,160) and profit on sale of investments of £8,295 (£84,442). Tax took £83,008 (£3,535).

G. Wills rises and pays more

AS ANTICIPATED, profits of George Wills and Sons (Holdings) for 1981 exceeded those of the previous year the pre-tax figure emerging at £1.55m, compared witb £1.02m.

The directors, wbo predicted a better year when announcing midterm profits £77,000 bigher at £630,000, report that during the last quarter of 1981 three main divisions combined to produce better than anticipated results.

They add that although a reasonable start has been made to the current year it is too early to forecast the outcome—the group is an importer and exporter.

Full year earnings per share are given as 13.03p (12.5p) and an increased final dividend of 4p (3p) makes a total of 6p net (4.5p).

Turnover rose to £75.6m (£70.8m). Tax took £461,000 (£270,000) leaving attributable profits of £1.19m (£412,000), including extraordinary items.

On a GCA basis pre-tax profits were £1.24m (£653,000).

S. Jerome shows some improvement

TAXABLE PROFITS of the textile manufacturer and electrical communication group, S. Jerome and Sons (Holdings) increased by 8 per cent from £512,000 to £552,000 in the 12 months to April 5 1982. Turnover was also up at £12.61m against £10.89m.

A final net dividend of 2.394p (2.1p) per 25p share has been declared making a total of 3.227p (equivalent 2.933p). A further scrip issue of one-for-five is proposed.

The directors say there is no clear picture in either the UK or overseas of an upturn in textile trade. However, some of tbeir customers, they say, are placing a portion of their requirements with the company and decreasing their dependence oo foreign cloth.

Both electronic companies are busy and have more orders than this time last year. Considerable re-organisation has taken place in both companies and this is continuing.

A breakdown of turnover contributions follows: home textile £7.47m (£7.12m); export textile £1.22m (£1.56m); home electronics £3.71m (£2.2m); export electronics £217,000 (£19,000).

Pre-tax profits were struck after interest charges of £37,000 against £17,000 previously while textiles contributed £370,000 (£369,000) and electronics £219,000 (£160,000).

Tax took £201,000 (£159,000) leaving after tax profits of £351,000 (£353,000). There was no deferred tax or extraordinary items and attributable profits fell from £569,000 to £341,000. Stated earnings per share remained at 8.54p.

CCA profits fell from £292,000 to £201,000 while earnings per share were down from 3.18p to losses of 0.25p.

50 companies wound up

Compulsory winding up orders against 50 companies have been made by Mr Justice Mervyn Davies in the High Court. They were:

T. Blake Coostruction, Flashpoint, Deb Top, Crater Controls, Boston Veneered Mouldings, Twinoak Solar Heating, Alpha Computer Brokers, Mears David.

Interface (Games), Vetlynn, Butterfly Tradiog Compaoy (Giftware), Steeralone, The Sutton Bridge Dock Company, Edgewheel Builders, Tower Process Plaot, Briart Holdings, Knightlow Estates.

Redbridge Development, Roebuck Personnel, Roebuck Personnel (UK), Mapother and Phipps, P. A. Vowles and Son, Winsford Racing Agencies, BARKS (Plant Hire), Diapac Industrial Diamood Tools, James Hammond Cootracts, Weldrove, Josepb Upton, Absonway.

George White (Gosport), Derrett & Burrell, Mavan Administration, Maidaid Norwest, Cheale (Charlton), Poolmead, Nimblestar, Mordvale, Bigears Telecommuications, Smlth & Bocking (London), Fairbairn Lawson Packaging, Maclin-Zand Electronics.

Flocastel Craven Greeo, Eddingwall, PGR (Sports Goods), Shipston Sawmills, Foremost Loft Conversions, Southern Gounties Pboto Service, Forem Fotographic, and Jifgem.

Compulsory winding np orders made on Marcb 29 against Jobn A. Hillman Consultancy Services, 65, Harley Street and Harrison Cliff and Goedhuis (Viotners) were rescinded and the petitions dismissed by consent.

SALE TILNEY (special purpose machinery and food manufacturer). Results for year ended November 30, 1981, reported March 19. Group fixed assets £3.78m (£3.58m). Net current assets £7.76m (£6.29m). Meeting, 28, Queen Anne's Gate, SW, April 28, at noon.

SPAIN

April 5	Price %	+ or —
Banco Bilbao	346	+4
Banco Central	339	
Banco Exterior	302	
Banco Hispano	316	+2
Banco Ind. Cat.	110	
Banco Santander	341	
Banco Urquijo	202	
Banco Vizcaya	366	+6
Banco Zaragoza	244	+2
Dragados	159	+4
Espanola Zinc	61	
Fecsa	62.2	+1
Gal. Preciados	38	
Hidrola	64	+1.5
Iberduero	56.5	+1
Petroleos	82.5	+0.5
Petroliber	89	
Sogefisa	9	
Telefonica	71	
Union Elect.	63 7	

THE TRING HALL USM INDEX
120.4 (—1.4)
close of business 5/4/82
BASE DATE 10/11/80 100
Tel: 01-638 1691

LADBROKE INDEX
Close 558-563 (—12)

UK COMPANY NEWS

CASE beats target with £1.37m

TAXABLE PROFITS of Computers and Systems Engineering rose to £1.37m for 1981, which compares with a forecast of not less than £1.2m made in the offer for sale document of last November—profits for the previous year were £0.94m.

Turnover for the period advanced from £12.09m to £17.47m. Tax took £20,000 (£11,000) leaving the net balance at £1.35m, against £0.93m.

Stated earnings per 20p share fully diluted emerged at 19.7p (18.5p), compared with a forecast of 17.3p.

There is no dividend for the year—3.15p net has been forecast for 1982 with approximately half to be paid as an interim in October.

On a CCA basis pre-tax profits were £1.48m (£0.97m).

The directors say that expenditure on research and development increased by 65 per cent, much of which was invested in enhancing the functionality of the series DCX data concentration exchange and the MSX message switching system which enabled two product ranges to maintain their lead over competitive products.

Exports in 1981 showed a useful increase, including an order for the first phase of Citibank's European network involving installation worldwide of a large quantity of DCX equipment.

Exports will be boosted by an agreement with the Paradyne Corporation allowing Paradyne, along with Rixon, to sell the company's series DCX in the U.S.

● **comment**

CASE has met last November's profit forecast with something to spare, overshooting the £1.2m estimate by 14 per cent. The main reason is an apparent tendency among computer managers to spend their budgets in a rush at the end of the calendar year; so Case is apt to experience an eleventh-hour lift in volume, to which profit is very sensitive. At 238p, the shares are at a slight premium to the offer price, but even the better-than-expected results leave them exposed on a multiple of about 25 times fully taxed earnings. In recent months the order pattern has changed: although the value of orders is higher than at this time last year, it is composed of smaller lumps, with shorter lead times. As Case becomes involved in higher semi-fixed costs—product promotion and development in particular—the growth of profits becomes still more highly geared to that of volume. The market rating—itself liable to volatility on account of the relatively small float—leaves Case constantly with the burden of proving that it can keep up the pace.

Bryant rises midway and pays more

TAXABLE PROFITS of property investment, development and construction group, Bryant Holdings have risen from £3.73m to £4.51m for the half year to November 30, 1981 and the interim dividend is being lifted by 17.6 per cent from 0.85p to 1p net per 25p share.

For the full year, the board has every confidence of improving on last year's £8.64m profits with the intention of maintaining the interim dividend percentage increase in the final—the 1980-81 final was 2.6p.

First-half turnover was £2m lower at £44m, but operating profits rose from £3.11m to £3.64m. Pre-tax figures included higher net property revenue of £708,000 (£615,000) and associates' contributions of £155,000 (£8,000).

Tax charge was little changed at £1.5m (£1.49m) giving net profits up from £2.24m to £3.01m. Stated earnings per share increased from 5.6p to 7.5p.

The board says Bryant has continued to maintain its high quality land bank while ensuring that its cash position remains satisfactory. Since the bad weather and depression around the turn of the year, house sales have been buoyant, recently boosted by reduced mortgage rates.

Private housing had a good half year. Bryant had to contend with high interest rates and the deep recession in the West Midlands, but the latter was substantially mitigated by its policy of expansion in the South. The group's change of emphasis to first time buyers has been successful and, with the cut in mortgage rates, the sales position is much brighter.

The property side increased its contribution despite weaker demand, reflecting Bryant's policy of ensuring that its industrial and commercial developments are in prime locations. As previously, there will be a substantial development surplus in the full year's accounts.

Tendering for contracting work remained very competitive during the period. As planned, turnover in this activity has continued to fall and this will be reflected in a reduction in total group turnover for the full year. Despite this reduction, a profitable outcome in contracting is anticipated.

● **comment**

Despite a 7p drop yesterday, Bryant's shares have enjoyed a rerating in the past six months. In October, the shares stood at 68p where they yielded 7.3 per cent and had a p/e of around 6. Slipping off their peak of 106p yesterday, they finished at 99p where their prospective yield is 4.9 per cent. With new confidence in the housing sector, Bryant looks capable of at least £9.25m this year, aided by an interest credit of about £300,000. This indicates a prospective fully-taxed p/e of nearly 9, which better discounts the group's improving prospects. Bryant has clamped down on contracting business: in the six months, turnover slid to £12m against £20m last year. The shrinkage will continue in the second half but the division remains profitable, so the strategy appears to be paying off. House building is expected to be off by about 5 per cent this year but offers good prospects as the group continues to concentrate on first-time buyers. Rental income is on the rise and could reach £1.5m this year and £2m in 1983. Assets per share (as of last May) are 97p, just a shade behind the share price, reflecting the market's confidence in future property revaluation on the scale recorded in the last few years.

Erith declines but holds payout

PRE-TAX PROFITS of Erith and Company, builders' merchant, declined from £1.4m to £1.13m for 1981, although it is pointed out that both sales and profits improved in the second half, compared with the first six months, despite the bad December weather.

The directors anticipated first-half profits would be exceeded in the second six months in their interim report—at mid-year they were £149,000 lower at £510,000.

Despite a drop in full year stated earnings per share from 10.58p to 6.99p a same-again final dividend of 2.75p maintains the net total at 4p per 25p share.

Turnover for the 12 months held steady at £32.88m (£32.1m) with pre-interest profits emerging at £1.43m, compared with £1.78m.

The pre-tax surplus was struck after depreciation of £369,000 (£313,000), pension fund contribution of £167,000 (£151,000) and interest charges of £294,000 (£378,000).

Tax took £471,000 (£403,000) and after exceptional and extraordinary credits last time totalling £1.07m the available balance came through well down at £662,000, against £2.06m.

CCA pre-tax profits were £864,000 (£983,000) and on the same basis earnings per share were 4.15p (8.17p).

The new branch at Slade Green, Kent, performed well in its first year and in 1982 "should make a useful contribution to profit."

● **comment**

The pick-up in trading in the second half at Erith was killed off in December. This followed the jump in interest rates which smothered the confidence flickering back into the building industry. An improved trend returned in February but how much of this was merely a catch up after the severe January weather has been difficult to identify. However the feeling is that there is an underlying rise in demand which if sustained should put the company back on to a growth path. Meanwhile the shares, 1p down at 77p yesterday, trade on for a historic fully taxed p/e of 13. Borrowing, which last time had been brought down from 79 per cent of equity funds to around 50 per cent, has edged up again as a higher bank overdraft has been applied to containing the increase in creditors.

No dividend from Upton as losses deepen

Heavier losses of £146,000 against £51,000 were incurred by E. Upton and Sons, departmental stores operator, in the year to January 26 1982. No dividend is being paid compared with a single payment of 0.5p in the previous year. At halfway, losses were down from £108,110 to £80,670.

Turnover of this Middlesbrough-based group rose from £5.45m to £5.91m.

There was a higher tax credit of £80,000 against £24,000, and an extraordinary credit this time of £440,000, being the profit from the sale of a freehold property amounting to £36,000, and a surplus from property revaluation of £378,000.

The attributable loss on a CCA basis was £164,000 (£129,000).

NO PROBES

The proposed mergers of John D. Hollingsworth on Wheels Inc. (U.S.) with certain assets of Stone-Platt Industries, and Saatchi and Saatchi and Compton Communications Inc. are not being referred to the Monopolies Commission.

Famous Grouse lifts Highland Distilleries

REFLECTING the continuing demand for Famous Grouse Scotch whisky, sales of the Highland Distilleries Company increased from £44.57m to £47.55m in the six months ended February 28 1982 with pre-tax profits showing a rise from £2.46m to £2.75m. Famous Grouse profits were 29 per cent up on the same period of the previous year.

The interim dividend is lifted by 10 per cent from 0.5p to 0.55p net per 20p share. The directors say that the increase is on account of the improved profit and to reduce disparity between interim and final payments. For 1980-81 a total of 2.6p was paid on profits before tax of £5.06m.

They report that the current output of the distilleries is considerably below capacity because of the surplus stock position in the industry and consequent much reduced filling requirements.

Sales of matured whiskies, however, have been fully maintained, although margins have been under pressure.

The first half 1981-82 pre-tax profit was struck after interest of £629,000 (£584,000) and included investment income unchanged at £182,000. After tax of £232,000 (£211,000), net profits came through at £2.52m (£2.25m)—equal to earnings of 4.1p (3.6p) per share.

Fixed asset expenditure in the period totalled £284,000 (£386,000).

● **comment**

The Famous Grouse must take all the credit, and then some, for the 11.6 per cent rise in Highland Distilleries' interim pre-tax profits. The 29 per cent increase in profits from that source included a volume increase in sales south of the border. In the UK as a whole market share has risen to about 9 per cent, and in England at least more growth can be expected. The new fillings market has continued to contract, and the order book is at a lower level than this time last year. The company is hoping that the slide is bottoming out, but does not expect an upturn before 1984. Sales of mature filling are similarly depressed, and the distilleries are operating at under half of full capacity, compared with 87 per cent a year and a-half ago. But the growth in overall profits has encouraged a 10 per cent increase in the dividend, and assuming a similar rise in the final, the shares, up 1p to 80p, yield a little over 5 per cent. It seems £5.6m is on the cards for the full year's pre-tax profits, giving a p/e of 18.

BASE LENDING RATES

A.B.N. Bank	13 %	Grindlays Bank	†13 %
Allied Irish Bank	13 %	■ Guinness Mahon	13 %
American Express Bk.	13 %	■ Hambros Bank	13 %
Amro Bank	13 %	Heritable & Gen. Trust	13 %
Henry Ansbacher	13 %	■ Hill Samuel	§13 %
Arbuthnot Latham	13 %	C. Hoare & Co.	†13 %
Associates Cap. Corp.	13 %	Hongkong & Shanghai	13 %
Banco de Bilbao	13 %	Kingsnorth Trust Ltd.	14 %
BCCI	13 %	Knowsley & Co. Ltd.	13½%
Bank Hapoalim BM	13 %	Lloyds Bank	13 %
Bank Leumi (UK) plc	13 %	Mallinhall Limited	13 %
Bank of Cyprus	13 %	Edward Manson & Co.	14 %
Bank Street Sec. Ltd.	14 %	Midland Bank	13 %
Bank of N.S.W.	13 %	■ Samuel Montagu	13 %
Banque Belge Ltd.	13 %	■ Morgan Grenfell	13 %
Banque du Rhone et de la Tamise S.A.	13½%	National Westminster	13 %
Barclays Bank	13 %	Norwich General Trust	13 %
Beneficial Trust Ltd.	14 %	P. S. Refson & Co.	13 %
Bremar Holdings Ltd.	14 %	Roxburghe Guarantee	13½%
Brit. Bank of Mid. East	13 %	E. S. Schwab	13 %
■ Brown Shipley	13 %	Slavenburg's Bank	13 %
Canada Perm't Trust	13½%	Standard Chartered	‖13 %
Castle Court Trust Ltd.	13½%	Trade Dev. Bank	13 %
Cavendish G'ty T'st Ltd.	15½%	Trustee Savings Bank	13 %
Cayzer Ltd.	13 %	TCB Ltd.	13 %
Cedar Holdings	13 %	United Bank of Kuwait	13 %
■ Charterhouse Japhet	13 %	Whiteaway Laidlaw	13½%
Choulartons	13½%	Williams & Glyn's	13 %
Citibank Savings	¶12½%	Wintrust Secs. Ltd.	13 %
Clydesdale Bank	13 %	Yorkshire Bank	13 %
C. E. Coates	14 %		
Consolidated Credits	13 %		
Co-operative Bank	*13 %		
Corinthian Secs.	13 %		
The Cyprus Popular Bk.	13 %		
Duncan Lawrie	13 %		
Eagil Trust	13 %		
E.T. Trust	13 %		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	15½%		
Robert Fraser	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month 10.25%. Short term £8,000/12 month 12.6%.
† 7-day deposits on sums of: under £10,000 10¼%, £10,000 up to £50,000 11%, £50,000 and over 11½%.
‡ Call deposits £1,000 and over 10%.
§ 21-day deposits over £1,000 11¼%.
‖ Demand deposits 10¼%.
¶ Mortgage base rate.

Companies and Markets

BIDS AND DEALS

Management buy-out of three Rockwell companies

THE CONSOLIDATION of Wilmot Breeden, the Birmingham-based automotive components business, by its American parent company, Rockwell International, has prompted another management buy out.

In the latest disposal, Rockwell has sold off for about £3.25m a group of three companies which manufacture tipping gears, bodies and platforms for the commercial vehicles industry.

Largest of the three is Telehoist which is based in Cheltenham and is understood to have lost about £500,000 last year on turnover of about £7.5m. Servotel Controls, also based in Cheltenham, broke even on turnover of £0.5m and ACS Engineering (formerly Ackermann Concrete Services) was marginally profitable on revenues of over £1m.

Mr Pat Mulholland, the chairman and chief executive of the three companies, said he had acquired the group in partnership with a number of other directors including three from Telehoist.

This management team has retained more than 75 per cent of the equity leaving the remainder with County Bank, which advised the deal and has also subscribed to a small amount of preferred stock.

The greater part of the purchase price, however, is believed to have been funded by a medium term loan approaching £3m from National Westminster, the parent of County Bank. It is an unusual aspect of the buy-out that perhaps half of his loan is expected to be repaid with the proceeds of a future sale of property assets.

The newly-independent group still has a workforce of 430 people after about 70 redundancies over the last year. Mr Mulholland said Telehoist in particular had "suffered greatly from the recession and also from the effect of uncertainty about the future in the face of no clear direction from Rockwell."

He said Telehoist had had a profitable year so far into 1982 and had "scope for consolidation to improve our position." Rockwell's decision to sell, he said, reflected Telehoist's incompatibility with the Wilmot Breeden business. "We deal with trucks which might have offered some synergy but that has proved not to be the case."

S & W Berisford may buy City money broker

Kirkland-Whittaker, one of the City's smaller money broking firms, may be due for its third change of ownership in less than a year. Now owned by Mercantile House, it is the subject of a possible take-over by S. and W. Berisford, the commodity trader still embroiled in the struggle for control of the British Sugar Corporation.

Mercantile acquired Kirkland-Whittaker last month by taking over Charles Fulton and Co., another City money broker. Fulton itself bought Kirkland-Whittaker for £2.8m last April from Gillett Brothers Discount Company, the discount house.

Mr Gordon Percival, a director of Berisford, confirmed that his company was talking to Mercantile about a takeover of Kirkland-Whittaker and said it was hoped that a decision would be reached very shortly.

The subsidiary made pre-tax profits of £220,000 in the year to December, 1980 and is believed to have made one of the more important contributions to Charles Fulton's profitability since last summer.

Mr John Barkshire, chairman of Mercantile, indicated at the time of its acquisition of Charles Fulton last month that a rationalisation of Fulton's businesses would follow immediately. But there was no suggestion then that Kirkland-Whittaker looked a candidate for early divestment.

Mercantile at the end of March discontinued Fulton's foreign exchange operations in New York, which had been making significant losses. It also closed down most of the London forex department. Altogether about 80 members of Fulton's staff lost their jobs at that time.

Vinten placing to finance U.S. purchase

Vinten, the advanced military reconnaissance and television broadcast systems group, is placing 1.68m new ordinary shares at 235p each to finance the $6m acquisition of Exotic Materials of Costa Mesa, California.

Privately owned Exotic supplies products for the electro-optical instrument market, based on certain rare crystals which transmit infra-red radiation. They are used principally in the manufacture of night vision systems and thermal imagers. Sales amounted to $5.26m and pre-tax profits were $1.38m. Its main customers are U.S. aerospace companies which supply the Department of Defence.

The deal is designed to provide Vinten with a direct involvement in U.S. high technology. The group intends to set up a U.S. holding company to provide entry into North America for other Vinten products.

Exotic's budgets for the current year indicate a shortfall in profits but Vinten understands that, "with the prospect of an increasing U.S. military budget, the market for electro-optical systems, including thermal imagers, provides a promising outlook for Exotic over the next five years."

The acquisition is conditional on the approval of Vinten shareholders at an extraordinary meeting on April 21. The shares will be placed with clients of Schroder Wagg by brokers James Capel and Stock Beech.

PH INDUSTRIALS

The offer by Taddale Investments for the outstanding capital of PH Industrials has closed. Acceptances were received as to 486,430 ordinary shares (25 per cent) and 16,467 preference shares (75.7 per cent).

Bunzl's American growth

Bunzl duly announced the expected acquisition in the U.S. industrial paper products distribution sector and said that it expects to make more.

It is paying $10.3m in a tender offer for Capital Consolidated of Indianapolis, which sold $74m of disposable paper, plastic and film products in the financial year to April 1 last year producing pre-tax profits of $2.5m. Turnover in the subsequent six months reached $42m and pre-tax profits were $1.2m. Net asset value is $7m.

Senior management will be retained at Capital Consolidated on long-term service contracts. In addition to the Indianapolis operation, the U.S. company has branches in Evansville, Indiana, Columbus, Ohio, and Louisville, Kentucky.

Capital Consolidated brings Bunzl's paper distribution investment in the U.S. to $24m over the past 12 months. It has acquired companies in New Jersey, New York City and Florida.

The group said yesterday that it would now be looking to the South and South East for an acquisition to complement the Florida business.

SKETCHLEY EXTENDS

The dry cleaning and linen hire group, Sketchley, extended its $40.6m offer for Means Services again yesterday and the period now runs to April 9.

About 86 per cent of Means' shares were tendered to the counter-bidder, ARA, which has complied with the request by the anti-trust division of the United States Justice Department not to purchase tendered shares until April 12.

Morphy Richards sold by GEC for under £5m

GEC has made one of its rare disposals with the sale for just under £5m of the Morphy Richards domestic appliance group from its GEC-Schreiber consumer products division.

The buyer is a private industrial holding company, Capital for Industry (CFI) which will merge Morphy Richards with its House of Carmen subsidiary.

The deal has been backed by Development Capital, which runs the Small Business Capital Fund and has raised equity finance from its pension fund clients, together with the merchant bank, Samuel Montagu, which has put in substantial term loans.

CFI was brought out of Grindlay Brandts two years ago by Mr Brian Solomon and Mr Douglas Meekins in a deal which left them with 25 per cent of the equity; Throgmorton holds the balance of the ordinary shares and the entire preference capital. CFI holds a 71 per cent stake in Cray Electronics and sizeable stakes in half a dozen other private industrial companies.

Net assets are £10m and post-tax profits last year amounted to £1.6m. As a combined small domestic electrical products group, House of Carmen and Morphy Richards are expected to be turning over some £30m next year.

Luis Gordon £0.46m loss

DOMECQ SHERRY importer and distributor the Luis Gordon Group reports a turnround from profits of £50,000 to losses of £465,000 for the year to January 31 1981. There is no dividend compared with 0.5p.

Turnover was slightly ahead at £14.97m, against £14.55m, which was solely due to the increase in duty, say the directors. After virtually halved seasonal losses of £194,000 at the interim stage, the directors said then that this improvement should be reflected in the results for the full year.

In the light of the full year results the directors state that the group has taken strong action to cut costs. The effect of this and other planned economies will be to achieve savings in 1982 of about £250,000.

The directors hope that the steps already taken, together with the support of Domecq, will enable an improved position to be reported next year.

Domecq, the holding company, has decided to strengthen Luis Gordon's capital base by providing about £540,000 of capital to offset the loss in 1981. Domecq will exercise part of its option granted in 1976 to subscribe for 3m new 10p ordinary shares. The price and number of shares is determined by the terms of the agreement, under which Domecq can subscribe for a maximum of 5.75m ordinary shares. The Domecq holding will be increased from 52 per cent to 69.36 per cent.

In addition, Domecq is to contribute £550,000 towards a major marketing and advertising programme this year.

Sherry sales, the group's most important product, fell sharply because of an overall drop in UK sales, and a switch to lower price own-label sherry brands, say the directors. There was also an unprecedented level of competition with market share being sought at the expense of trading margins.

Interest charges were lower at £706,000, against £996,000. A loss of £465,000 was transferred to reserves compared with profits of £33,000.

On a current cost basis pretax losses were £551,000 (£190,000).

LONDON TRADED OPTIONS

April 3, Total Contracts 2,230 Calls 1,730 Puts 500

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP (c)	280	10	34	64	—	30	—	283p
BP (c)	300	4	13	13	31	19	20	"
BP (c)	330	2	1	7	—	11	—	"
BP (p)	280	7	4	14	40	20	10	"
BP (p)	300	20	41	26	11	32	31	"
BP (p)	330	50	—	60	11	66	—	"
CU (c)	140	2	2	9	24	15	5	134p
CU (c)	160	1	4	5	—	7	—	"
Cons. Gld (c)	360	42	3	52	2	57	—	394p
Cons. Gld (c)	390	14	2	28	6	45	—	"
Cons. Gld (c)	460	2	20	8	—	12	—	"
Cons. Gld (c)	500	1½	2	4	—	5	—	"
Cons. Gld (p)	360	2	1	12	1	17	—	"
Cons. Gld (p)	390	15	2	23	15	32	—	"
Cons. Gld (p)	460	70	1	72	—	77	—	"
Ctlds. (c)	70	17	—	20	14	23	—	88p
Ctlds. (c)	80	9	19	14	34	16½	20	"
Ctlds. (c)	90	3	—	7	85	11½	9	"
GEC (c)	800	28	2	64	7	87	—	817p
GEC (c)	830	6	4	32	7	54	—	"
GEC (p)	800	9	34	27	5	52	—	"
GEC (p)	830	36	2	45		57	—	"
Gr'd Met. (c)	180	54	—	61	6	—	—	212p
Gr'd Met. (c)	180	34	1	42	1	47	—	"
Gr'd Met. (c)	200	16	29	23	4	30	—	"
Gr'd Met. (c)	230	4	3	13	—	17	—	"
Gr'd Met. (p)	200	3	45	7	1	12	—	"
Gr'd Met. (p)	220	12	12	16	20	21	7	"
ICI (c)	300	22	—	35	7	44	—	318p
ICI (c)	350	6	25	21	91	29	—	"
ICI (c)	360	1	1	10	47	16	—	"
ICI (p)	300	4	37	10	16	14	—	"
ICI (p)	330	19	10	26	9	29	10	"
Land Sec. (c)	260	33	4	—	—	—	—	290p
Land Sec. (c)	880	13	1	27	—	39	—	"
Land Sec. (c)	300	2½	—	16	10	27	4	"
Land Sec. (c)	330	½	—	6	—	15	4	"
Mks & Sp. (c)	130	22	3	27	2	33	—	149p
Mks & Sp. (c)	140	13	3	19	3	24½	—	"
Mks. & Sp. (c)	180	4	6	9	62	12	—	"
Shell (c)	330	50	—	60	3	70	—	376p
Shell (c)	360	28	—	34	1	44	—	"
Shell (c)	380	6	—	18	27	22	—	"
Shell (c)	420	2	—	8	1	—	—	"
Shell (p)	380	6	13	16	3	24	—	"
Shell (p)	390	18	2	26	—	38	—	"
		May		August		November		
Barclays (c)	420	23	11	45	—	33	—	435p
Barclays (c)	460	6	18	18	2	32	—	"
Barclays (p)	500	2	23	9	—	15	—	"
Barclays (p)	420	6	2	9	2	15	—	"
Barclays (p)	460	27	12	33	5	58	—	"
Imperial (c)	70	26½	18	28½	—	—	—	96p
Imperial (c)	80	16½	23	20	15	23	—	"
Imperial (c)	90	7	142	13	177	13½	3	"
Imperial (c)	100	2½	47	7½	516	9½	10	"
Imperial (c)	90	1½	24	2½	—	4	—	"
Imperial (p)	100	6	2	7	—	9½	—	"
Lasmo (c)	280	60	1	70	—	83	—	329p
Lasmo (c)	300	42	—	62	—	67	2	"
Lasmo (c)	330	22	35	32	4	47	7	"
Lasmo (c)	360	9	7	22	6	—	—	"
Lasmo (c)	390	5	1	15	—	—	—	"
Lasmo (c)	460	3	—	6	2	—	—	"
Lonrho (c)	80	9	10	4½	—	6½	—	73p
Lonrho (p)	70	2½	6	4	—	3	—	"
Lonrho (p)	80	8	7	8	—	8½	—	"
P & O (c)	120	19	6	26	4	30	—	135p
P & O (c)	130	13	17	18	—	20	—	"
P & O (c)	140	4½	14	12	—	13	15	"
P & O (c)	160	3	—	6	3	—	—	"
Racal (c)	360	22	19	42	—	52	—	378p
Racal (c)	380	8	4	20	10	30	—	"
Racal (p)	360	9	1	13	20	17	—	"
Racal (p)	380	20	9	27	—	30	—	"
RTZ (c)	420	20	11	32	1	42	1	47p
RTZ (c)	460	8	6	17	—	27	—	"
RTZ (c)	500	4	1	10	—	—	—	"
RTZ (p)	420	17	1	30	—	42	—	"
Vaal Rfs. (c)	43	5	22	6½	3	7½	2	$48
Vaal Rfs. (c)	50	1½	3	3½	—	4¾	97	"
Vaal Rfs. (p)	40	¾	1	2	—	3¼	—	"
Vaal Rfs. (p)	45	2½	3	3¼	—	5	—	"
Vaal Rfs. (p)	50	4½	1	5¾	—	7	1	"
Vaal Rfs. (p)	60	12½	—	13	12	—	—	"

C=Call P=Put

EUROPEAN OPTIONS EXCHANGE

Series	May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C $300	—	—	5	56	1	70	$339
GOLD C $325	9	23	5	39	7	56	"
GOLD C $350	268	11 B	36	25	16	36 B	"
GOLD C $375	10	4.50	24	17	1	22.50	"
GOLD C $400	3	2	12	10	4	16 B	"
GOLD C $425	10	1.10	—	—	—	—	"
GOLD P $300	17	4	—	—	—	—	"
GOLD P $325	256	9	80	13	2	13 B	"
GOLD P $330	—	—	16	36 A	2	30	"
GOLD P $375	60	36 B	—	—		—	"
12¾ NL 81 87.91							
C F.112.50	10	1.20	—	—	32	2.50	F.112.7
C F.115	—	—	18	1	—	—	"
P F.107.50	—	—	—	—	20	0.70	"
P F.112.50	5	0.80	3	1.40 B	30	1.90	"
10¾ NL 80 86.86							
C F.97.50	—	—	5	5.20	—	—	F.102.30
C F.100	—	—	15	3.30 B	—	—	"
C F.102.50	—	—	150	1.50	190	2.60	"
P F.102.50	—	—	6	1.40	—	—	"
11¼ NL 82 88.92							
C F.102.50	62	2.30	3	3	—	—	F.103.90
C F.105	50	0.90	—	—	—	—	"
	April		July		Oct.		
AKZO C F.22.50	26	9.50	—	—	—	—	F.31.20
AKZO C F.27.50	188	3.70 a	46	4.20	60	4.70	"
AKZO C F.30	173	1.50	162	2.70	148	3.20	"
AKZO P F.27.50	—	—	62	0.50	—	—	"
AKZO P F.30	15	0.10	40	1.20	145	1.30	"
HEIN C F.50	—	—	12	7.50	—	—	F.56.90
HEIN C F.55	57	2.20	21	3.80	15	4.50	"
HOOG C F.13	35	3.30 B	—	—	—	—	F.16.30
HOOG C F.17.50	38	0.80 B	56	1.70	23	2.20	"
HOOG C F.20	60	0.10	—	—	—	—	"
KLM C F.90	20	25	—	—	—	—	F.114
KLM C F.100	14	14	—	—	—	—	"
KLM C F.110	86	5.50	42	11.30	—	—	"
KLM C F.130	47	1.60	61	7.20 A	13	9.50	"
KLM P F.80	—	—	31	0.50	—	—	"
KLM P F.90	—	—	15	1.30	—	—	"
KLM P F.110	33	1.50	40	4.50	—	—	"
KLM P F.120	13	7.50	—	—	—	—	"
NEDL C F.120	26	6.20	—	—	—	—	F.132.60
NEDL C F.150	62	1	56	4.60	—	—	"
NEDL C F.140	—	—	113	2.20	40	5.10	"
NEDL P F.120	15	2	—	—	—	—	"
PHIL C F.20	194	4.80	130	5.10	25	5.60	F.25.00
PHIL C F.22.50	617	2.30	296	2.90	237	3.40	"
PHIL C F.25	876	0.40	700	1.30	931	1.70	"
PHIL P F.22.50	—	—	—	—	20	0.70	"
PHIL P F.25	222	0.30	67	1.50	72	1.60	"
RD C F.80	211	8.20	62	8.50	—	—	F.87.60
RD C F.90	897	0.70	532	2.50	76	4	"
RD C F.100	—	—	36	0.80	—	—	"
RD P F.70	—	—	100	0.50	—	—	"
RD P F.80	—	—	47	1.80	14	2.50	"
RD P F.90	—	—	48	6.30 B	23	7	"
UNIL C F.150	29	8.70 A	—	—	—	—	F.157.60
	May		Aug.		Nov.		
VW C DM.150	—	—	15	4.50	—	—	DM.143

TOTAL VOLUME IN CONTRACTS: 10,093

A=Asked B=Bid C=Call P=Put

UK COMPANY NEWS

MINING NEWS

Americans plan KwaZulu mine

BY GEORGE MILLING-STANLEY

A U.S. company is considering plans to make one of the biggest foreign investments in South Africa in recent years. Southern Sphere Holdings, in partnership with South Africa's General Mining Union Corporation (Gencor) group, has completed feasibility studies for a new anthracite mine in the tribal homeland of KwaZulu, north of Durban in Natal.

Mr Chris Seymour, manager of mining technical services for Southern Sphere, said yesterday that a decision on whether or not to go ahead with the construction of a mine will be taken "within the next few months," reports Bernard Simon from Johannesburg.

Tha KwaZulu authorities have already approved an application to develop the anthracite deposit, north of the homeland capital of Ulundi.

The project, to be funded on a 50-50 basis by Southern Sphere and Gencor, would cost some R160m (£86m). The mine is expected to produce around 1.5m tonnes of anthracite a year, mainly for export through the big coal terminal of Richards Bay in northern Natal.

This would be Southern Sphere's first investment in a mining project in South Africa, although the company is prospecting for other minerals in various parts of the country.

Southern Sphere is a subsidiary of Utah International of San Francisco, which already has substantial coal operations in Australia. Utah itself is controlled by General Electric of the U.S.

Bindura Nickel faces large loss in 1982

ZIMBABWE'S leading nickel producer, the Anglo American Corporation group's Bindura Nickel, is forecasting a loss of between Z$7m and Z$9m (£5.3m and £6.8m) this year, reports our Salisbury correspondent. In 1981 the company made a net profit of Z$3.6m.

The chairman, Mr G. A. Carey-Smith, says in his annual review that while Bindura is forecasting a similar ex-mine price for its nickel as that obtaining last year, operating costs have climbed.

Since mid-1980, wage increases have added Z$5.5m to costs while the doubling of the country's bank rate last year has meant that the mine's interest bill this year will more than double to Z$6m.

Meanwhile, productivity continues to fall. It was 10 per cent down last year and has declined by a further 25 per cent below target output levels in the first two months of 1982. A key factor in this is the exodus of skilled and experienced personnel.

Mr Carey-Smith added that in tha short term the only relief could come from a devaluation of at least 25 per cent of the Zimbabwe dollar. Delaying such a move, he thought, would only lead to an even larger devaluation later on.

U.S. Steel in coal deal

AMERICA'S biggest steelmaker, U.S. Steel, is to acquire a 15-year lease over three West Virginia coal operations owned by Carbon Fuel, a subsidiary of International Telephone and Telegraph (ITT). The terms of the deal have not been disclosed.

The agreement replaces a previous deal between the two companies, signed in 1974. Carbon Fuel will sell U.S. Steel the equipment and other assets used at its Winifred, Norton and Carbon divisions to produce the coal it has been supplying to the steelmaker.

Reserves at the three operations total an estimated 75m tons. They will revert to Carbon Fuel at the end of the lease.

Carbon will continue to supply other customers from other mines in West Virginia and Kentucky, which are not involved in the deal.

Phicom net loss reaches £2.5m but orders rising

A SHARP fall in sales at Phicom, the data and video communications and scientific instruments group, has led to a turnround from a trading profit of £2.27m to a loss of £323,000 for 1981.

This result includes a £957,000 loss attributable to Bryans Southern Instruments. The company announced yesterday that this subsidiary is being sold to Gould Electronic Holdings, a subsidiary of Gould Inc. of Chicago, for £1.09m cash.

The dividend is cut from 1p per 10p share to 0.3p, with a final of 0.15p. The company is controlled by Magnum Corporation (Malaysia).

Sales for tha year showed a drop from £29.3m to £26.52m and at the operating level profits fell to £772,000 against £2.71m. In the instruments division, excluding Bryans, profits fell from £572,000 to £199,000 while the contribution from data communications was down from £1.51m to £1.14m.

In the electronic closures division there were losses of £568,000 against profits of £814,000 while the loss attributable to the group in the 50 per cent-owned Rank Phicom Video Group for ten months was £495,000. In addition reorganisation and redundancy costs of £493,000 wera charged (£310,000) but interest costs at £708,000 (£1.21m), were 40 per cent lower due to the rights issue proceeds received last June and other favourable factors.

At the pre-tax level the loss came through at £1.53m (£1.06m profit) — after £616,000 loss (£428,000 profit) in the first six months. After tax and an extraordinary charge of £898,000 — including £709,000 associated with the sale of Bryans — the total net deficit comes out at £2.57m compared with a surplus of £830,000.

The directors say that the second half of the year proved materially worse than earlier expectations. Although the recovery in orders came later than was anticipated at the time of the interim statement, it enabled the subsidiaries to achieve an overall breakeven on trading in the last quarter.

The increase in orders has continued in 1982 and this together with the lower borrowings resulting from the sale of a substantial loss maker, has materially improved the outlook, the directors state.

Referring to electronic enclosures they report that orders picked up strongly in tha last quarter but because of the fairly long production lead times in the business, it will be some months before the effect of this is reflected in an improved performance.

The profit reduction in data communications was mainly due to contracts from major customers being placed later than expected and a loss in tha U.S. subsidiary. However, tha directors state that the year ended with a very strong order book for dalivery in 1982.

Apart from £1 for the shara capital the proceeds from the sale of Bryans represented the repayment of parent company loans. Net assets of Bryans amounted to £1.43m. The extraordinary charge shown in the accounts represents the loss on sale, the forecast trading loss for the first quarter of 1982 together with other sale costs. The proceeds will be applied initially to the reduction in borrowings but will substantially be used to finance the group's growth as it emerges from the recession, the directors state.

● comment

Phicom's electronic enclosures division fell unfortunate victim of panicking by a number of its large customers in the computers market. Many contracts were either postponed or cancelled during 1981, forcing Phicom into costly retrenchment of its production. Now it is faced with the extra expense of re-engaging staff, and opening up shutdown production facilities to meet the revived demand. Elsewhere business is going well including the data communications side, which is supplying new electronic telex system to British Telecom. The joint video venture with Rank, which is beginning to benefit from the boom recorded cassette sales, expects to he in profit this year. With other loss makers out of the way and providing the enclosure's demand is sustained, the outlook is for a good recovery in the current year. However the setback left the shares down 4p at 16p.

Turner & Newall plans reduction in spending

IN THE current year, Turner & Newall, the manufacturing and mining group, does not expect to spend more than £30m. In 1981, capital expenditure was limited to £40m, on energy-saving and quick-pay-back projects and of this, £29.9m was incurred overseas. The 1980 figure was £43m.

As reported March 18, group pre-tax profits for 1981 were ahead from £6.2m to £11m, but because of worse than expected secood-half results the final dividend was omitted.

Despite an overall improved trading result for the year, cash geoeration from operations was insufficient to meet outgoings and there was a net outflow of funds of £48.3m (£8.7m inflow). Funds were released from working capital in the UK hnt overseas stocks, particularly of asbestos fibre, rose by £23.1m.

The cash outflow caused the group's net debt to increase from £117m to £165m and the ratio of this to stockholders' funds to rise from 35 per cent to 51 per cent.

At the year end, group stockholders' interest amounted to £306.7m (£317.7m). Fixed assets rose from £273.5m to £295.1m, but net current assets were lower at £107.1m (£120m).

Meeting, Manchester on May 6.

Decrease at Burroughs Machines

A REDUCTION from £20.87m to £15.32m in pre-tax profits for the year to November 30, 1981 is reported by Burroughs Machines, a subsidiary of Burroughs Corporation of the U.S. The figures were struck after an exchange loss of £3.76m, compared with a gain of £1.55m. At midyear, the taxable surplus was down by £4.84m to £7.25m.

Turnover for the year rose from £148.03m to £163.4m and profits, prior to the exchange figures, decreased from £19.32m to £19.08m. Tax charge was £4.16m (£2.91m).

The directors say prospects for the current year are encouraging. Significant product developments are providing the company with the impetus needed in difficult economic conditions.

The company's activities cover products for recording, storing, computiog processing and communicating data.

Arcolectric returns to profit–paying 0.5p

THE improved trading position forecast by Arcolectric (Holdings) in respect of the second half of 1981 has materialised in the form of a return to profits of £134,679, for this electric switch and neon signal lamp manufacturer. The result absorbed the first-half loss and left a profit for the year of £119,000, compared with a deficit of £234,000 for 1980. Sales were lower at £3.78m (£4.04m).

Dividends are being resumed with a net final of 0.5p per 5p share which compares with an interim only payment of 0.23p for 1980.

Mr R. A. Collier, chairman, says that the major achievement of the year was a cut in costs sufficient to show a small profit and produce a substantial cash flow. Current projections indicate that by the end of 1982 the company may not need an overdraft facility.

He reports that the higher percentage of exports evident in 1980 has been maintained and "undoubtedly the greatest potential for increased business is overseas."

The chairman says that a major part of the home market, the consumer electrical industry, has declined in the past two years leaving the company with substantial unused capacity. Consequently, he adds, competition is intense.

Mr Collier says that the workforce has been allowed to run down mainly through natural wastage but all the factories are now working full time. On present assumptions sales should rise by the end of the year with new products helping the company to enter new markets.

Expenditure, however, will also rise but the chairman says that the directors view the future with cautious optimism and forecast a small operating profit for 1982.

G. F. Lovell

Taxable profits of G. F. Lovell and Company, confectionery manufacturer, slumped from £164,000 to £78,000 for the year to October 31 1981 on turnover lower at £4.17m, compared with £4.83m.

However, the dividend for the year is being stepped up from 3p to 4p per 25p share—stated earnings per share were 3.186p (12.765p).

Tax took £45,000 (£41,000) leaving attributable profits well behind at £33,000 (£123,000). The company is controlled by Fenton Hill Group.

Extra 1p from Elys (Wimbledon)

Elys (Wimbledon), the department store group, is raising its dividend from 4.85p to 5.85p for the year ended January 30 1982, with a final of 4.85p.

Profits came out at £346,100, compared with £317,000 but this time include an extraordinary credit of £40,000. At half time profits amounted to £22,455 (£24,263). Turnover for the year improved from £6.59m to £7.03m.

After tax of £161,100 (£132,000), the net profit emerges unchanged at £185,000. Earnings per 25p share are stated at 15.4p (12.1p).

The profit excludes £15,000 surplus on purchase of the company's own debentures which is transferred to capital reserves.

Wm. Sinclair cuts losses

A REDUCED first-half deficit of £300,000 before tax at William Sinclair Holdings, compared with £531,000, is considered satisfactory by the directors. Turnover for the six months to end 1981 for this unquoted agricultural merchant rose from £12.22m to £14.63m.

The directors say the deficit is in line with the normal trading pattern. They hope the annual results will show an improvement on last year.

In the last full year pre-tax profits stood at £458,000 on turnover of £30.89m.

The lower deficit reflects lower interest charges resulting from improved control of working capital, say the directors. Interest charges fell from £454,000 to £233,000.

An unchanged interim dividend of 1.5p net per share is declared.

COMPANY NOTICES

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Louise Kehoe looks at Atari's latest money-spinning game

Pac-Man takes bite at UK market

PAC-MAN arrived in the UK on April 1, but the little yellow gobbler is no joke. He is expected to bring home profits of over $200m for Atari Inc, the video game subsidiary of Warner Communications that has launched Pac-Man on the U.S. video game market.

Pac-Man, Atari's latest home video game, hit the U.S. market just three weeks ago, but is already a sell-out in many U.S. cities. Initial orders are said to total $24m.

By the end of this year, Atari is expected to sell 8m or 9m units of the game—at a price of $30 to $40 each. That would make Pac-Man the biggest selling video game in the world.

Industry analysts say that 6m American households—about 8 per cent—already have the $130 to $200 programmeable video game player units that plug into the television.

Pac-Man mania is expected to swell the ranks to 10m by the end of this year. Sales of video game cartridges will total $2bn this year, they estimate. Within a couple of years, it will approach the annual sales figures of the phonograph record industry of close to $4bn.

Nor will Europe escape the craze. According to a recently published market report by Frost and Sullivan of New York, Europeans will spend about $300m on the television game units this year, and another $430m on games cartridges to plug into them. Sales are expected to triple by 1985. The top market in Europe is the UK.

Atari of the U.S. is the market leader in the video games industry and sales of Pac-Man, its latest offering, are likely to overtake the highly successful Space Invaders

Atari is a market leader in the video games business. It has a market share of close to 75 per cent of worldwide sales of the microprocessor-driven video game players, and the cartridges that hold the game programmes.

The company's successes include the popular Space Invaders, and a catalogue of some 45 other adventure and sports games. Atari's only rivals in the market are Mattel—which has so far concentrated on the top end of the market with a more expensive player unit, and sports games, and Magnavox which has recently begun pushing its Odyssey II player and games.

Even before Atari had introduced Pac-Man, competitors were rushing to produce lookalikes that might share in the success of the original. Just as Space Invaders has its imitators, so Pac-Man has been followed by K. C. Munchkin and Snoggle. Atari has already taken action to curb Magnavox's plans for its version—K. C. Munchkin.

Atari has twice obtained a court injunction to prohibit Magnavox from selling K. C. Munchkin, until a trial of its copyright infringement suit takes place. The court has changed its mind three times—first in favour of Atari, then Magnavox, and now Atari again. By the time the matter is settled, Atari, no doubt, will have won by capturing most of the potential market for Pac-Man type games.

Huge potential profits fuel the fight in the video games business. The games cartridges which sell for $20 to $40 are built around a single integrated circuit memory chip costing less than $2. Profit to the manufacturer is roughly half the selling price, some manufacturers will admit.

The high profits of the video game cassette market are also attracting new entrants. Activision, formed in 1979, makes games that play on the Atari system. The latest name in the business is Imagic, a Californian company that has recently introduced its first game products. Backed by San Francisco venture capitalists, Imagic is hedging its bets by making games for both Atari and Mattel machines.

Why is Pac-Man so popular? Atari says the game appeals to both sexes and all ages, unlike the many space war games, which sell mainly to young males. Pac-Man, a yellow smiling face, attempts to score as many points as possible by eating pieces of fruit without getting eaten himself by four ghosts.

Pac-Man built up a following as a video arcade game manufactured by Bally Manufacturing under licence from its Japanese creators, Namco.

Premature repayment of Pemex facility

By Peter Montagnon, Euromarkets Correspondent

MEXICO'S state oil concern, Pemex, has decided to repay early the ill-fated $200m syndicated Euronote facility which it arranged through European Banking last September.

The six-year facility is being consolidated into the same borrower's recently arranged $2bn jumbo Eurocredit. Some bankers say that Mexico used the prospective unwinding of the Euronote facility to encourage greater participation in the jumbo.

The Euronote facility had an unhappy existence right from the start when it was planned to be for a total of $500m. It proved impossible to place such a large amount because the borrowing conflicted with a sterling acceptance facility which Pemex was arranging at the same time.

Euronote facilities are also hard to sell because lead managers have to back up the continuous sale of short-term Euronotes at very low margins to central banks and other institutions in the money market. The banks can thus get stuck with the paper if market conditions change.

In this case, the margin on the notes was a mere ¼ per cent over Libor. This would have made them very hard to sell in the marketplace now that Mexico is paying considerably more than this even for very short-term borrowings.

Campbell Soup plans two offers in Euromarket debut

BY OUR EUROMARKETS STAFF

CAMPBELL SOUP, the U.S. corporation, is making its Euromarket debut with two dollar bond issues through Credit Suisse First Boston.

The first is a $200m 10-year zero coupon bond—a bond which pays no interest but is priced at a deep discount. The paper is being priced at 27 per cent to raise an actual sum of $54m and will yield just less than 14 per cent on an annual basis.

The second Campbell issue is a $50m seven-year issue with a tightly priced 14 per cent coupon, the lowest coupon seen in the Eurodollar bond market in nearly a year. Despite the pricing of this issue it is expected to do well.

By yesterday afternoon the $50m Campbell bond was being quoted at a discount of just ½ per cent off par in pre-market trading.

The appearance of Campbell with a 14 per cent bond was in marked contrast to the $150m 15-year issue for Aetna Life and Casualty, also a Triple A-rated U.S. corporation. Morgan Stanley brought the issue to market with a 15 per cent coupon, judged by many in Europe as unnecessarily generous. The consensus appears to be that if Campbell pays 14 per cent, Aetna could have managed a 14½ per cent coupon.

The Aetna issue is an adjustable coupon bond and provides an initial four-year term for the borrower. At the end of the four years not only will bondholders be able to redeem if they dislike the new coupon, but the borrower will also be able to set a new maturity of any period up to 11 years.

The third company to come to market yesterday was Ennia, the Dutch insurance group. Amro International and Morgan Stanley are offering $60m of five-year Ennia paper at 15½ per cent and par. This seems realistic pricing for a borrower of roughly Single A status.

In secondary trading yesterday, Eurodollar bond prices were slightly higher. The news of the latest decline in U.S. M-1 money supply did little to improve the market's gloomy expectations of an April bulge in money supply.

Meanwhile, from Tokyo comes word that at least three Japanese Eurodollar convertible bond issues are being postponed because of the state of the Tokyo equity market. Mitsubishi Corporation was to launch a $100m issue through Nikko, Nippon Shimpan was planning $50m through Daiwa and Kobe Steel was said to be preparing a $50m offer through Nomura and Morgan Stanley.

The Euro D-Mark bond sector saw prices gain ¼ to ½ point while Swiss franc foreign bonds were ¼ point higher.

The new DM 100m 9 per cent Eurofima issue was being traded at 100½ yesterday, illustrating the buoyant state of the Euro D-mark sector.

In Switzerland, the Aucalsa SwFr 80m issue was priced at 7¾ per cent rather than the previously indicated 8 per cent, illustrating buoyancy in this sector.

Goodyear Tire opens with lower profits

By Richard Lambert in New York

GOODYEAR TIRE and Rubber, the leading U.S. tyre group, expects to report a fall of about a quarter in net income for the first quarter of 1982.

Goodyear's earnings in the first quarter of 1981 totalled $52.1m before a credit of $4.6m, while final quarter earnings were down to $41.7m before a $4.3m credit.

However, Mr Charles Pilliod, Goodyear's chairman, said yesterday that he believed the economy had bottomed out. "If confidence can be restored, all the other elements are there to put us on the move both here and abroad to a lasting recovery."

Noting the approach of the April 20 deadline in negotiating a new master contract with the United Rubber Workers, Mr Pilliod said that the atmosphere in negotiations had been encouraging.

Production cuts at U.S. Steel

BY OUR FINANCIAL STAFF

U.S. STEEL, the leading U.S. steel producer, is to suspend for two weeks beginning next Sunday some operations at its National plant in Pittsburg. The move will mean the furlough of 1,800 workers.

The decision follows an Easter weekend suspension of all operations at the National facility and at three other U.S. steel plants in the Pittsburg area.

The other three plants—the Homestead, Duquesne and Vandergrift—will resume operations on April 11, the company said.

The board also disclosed that it would suspend for one week, beginning yesterday, coal operations at five coal mines and two coal preparation facilities in south-western Pennsylvania, resulting in the furlough of about 2,000 workers.

U.S. Steel said that operations affected by the suspension at its National plant include rolling and seamless tube mills.

U.S. Steel also said that the Saxonburg sintering plant, a division of its Homestead facility, will be suspended for one week beginning next week resulting in the lay-off of about 200 workers.

The steelmaker blamed low order levels for the suspensions. Bethlehem Steel, number two in the national steelmaking league, announced that it will furlough an additional 2,100 steel workers at its Sparrows Point steel mill.

Bethlehem said the suspension of operations at the plant's hot mills, cold sheet mills and tin mills will bring total lay-offs at the plant to 5,900.

Sparrows Point, outside Baltimore, is Bethlehem's largest integrated steelmaking facility, employing more than 18,000 workers in peak production periods.

Bethlehem said it would reassess the markets next week to decide whether the additional employees placed on lay-offs can be reinstated.

NVF, the Yorklyn Delaware-based group headed by Mr Victor Posner, disclosed that profits for 1981 have increased from $14.5m to $21.9m or 23 cents a share, despite a loss of $14.2m in the final quarter against a loss of $3.8m last time.

At the same time, Sharon Steel, the producer of high carbon alloy and flat rolled steels which is 86 per cent owned by NVF, announced profits of $20.8m for 1981 against $3.3m.

But Sharon's losses increased in the final quarter from $5.4m to $15.1m. Mr Posner, who is also president of Sharon, said that, "based upon current order books, we do not expect conditions to improve significantly until at least the third quarter of 1982."

NVF earns 28 per cent of its profits from steel production, with a further 19 per cent from copper and brass operations, 18 per cent from natural resources and 12 per cent from laminated plastics.

Schlitz files anti-trust suit against Stroh

By Our New York Staff

SCHLITZ, the large U.S. brewer, sharpened its hostility to an unwelcome take-over bid by Stroh yesterday by launching an anti-trust suit aimed at scuppering it.

The suit, filed in its home town of Milwaukee, Wisconsin, claims that Stroh's bid would violate federal and state anti-trust laws, and that its terms also violate various securities laws.

Schlitz is asking the court for a temporary restraining order to suspend Stroh's bid.

Last week Stroh, a regional brewer based in Detroit, offered $16 a share for about 67 per cent of Schlitz's stock, to be followed by a merger on similar terms. The bid puts a value on Schlitz of about $470m.

Schlitz rejected the bid late last week on the grounds that it was inadequate, and that Stroh's financing arrangements were hedged about with too many conditions.

Last year, Schlitz agreed to a merger with Heileman, the fourth largest brewer in the country, but backed off when the Justice Department threatened to oppose it on anti-trust grounds.

Cox expects first quarter revenue rise

By Our Financial Staff

MR WILLIAM A. SCHWARTZ, president of Cox Broadcasting, told the annual meeting that revenue gains for the company's first quarter are expected to be about 30 per cent above the comparable first quarter, with operating income rising by 15 per cent.

In the first quarter last year operating revenues were $17.7m higher at $82.5m.

The adverse effect of increased interest expense in the first quarter this year will be more than offset by a $2.9m pre-tax gain on a sale by Cox Cable Communications, a wholly-owned subsidiary. As a result, net income in the quarter should advance slightly in excess of 20 per cent.

The cable division will be the largest contributor to this increase, Mr Schwartz anticipated. Sales and operating income would increase by about 50 per and 34 per cent respectively over the 1981 first quarter.

Looking beyond the first quarter, Mr Schwartz said: "Solid cable expansion will continue in 1982, although the unavailability of state-of-the-art converters and troubled economic conditions might restrict the rate of that expansion."

The company will shortly change its name from Cox Broadcasting to Cox Communications, reflecting involvement in broadcasting and cable television. Shareholders yesterday approved an amendment to the corporation's charter allowing the name change.

Weyerhaeuser cuts spending

By Our Financial Staff

WEYERHAEUSER, the major U.S. forest products company, will cut capital spending for 1982 by 35 per cent to about $500m from last year's $768m, according to Mr George H. Weyerhaeuser, president and chief executive.

Weyerhaeuser's spending will still top that of its western competitors.

Another appointment at CSFB

BY ALAN FRIEDMAN

LESS THAN one fortnight after announcing the appointment of a new chief executive and three new deputy chairmen, Credit Suisse First Boston yesterday said it had chosen another deputy chairman—Dr Eric Gabus, who has been chief financial officer and executive vice-president of Nestle in Switzerland.

Dr Gabus, whose background includes 14 years at Paribas in Paris and Geneva, will take charge of developing CSFB's international mergers and acquisitions business.

Mr John Hennessy, the new chief executive of Financiere Credit Suisse-First Boston, CSFB's parent, said yesterday that the appointment of Dr Gabus reflected his determination to build up CSFB's fee-income business.

"If CSFB has a weakness, it is not on the market side. One of the reasons I have come over is to build up CSFB's fee side."

Dr Gabus would handle the "day-to-day" corporate finance business and would work at the "strategy level," according to Mr Hennessy. Until now the man in charge of mergers and acquisitions at CSFB has been Mr Philip Seers, an executive director.

Mr Seers would continue to work in this area at the operational level, according to Mr Hennessy. "We are beefing up the activity in mergers and acquisitions. We hope that in two to three years when people think of CSFB they will think of markets and fee-based activities equally," he said.

Mr Hennessy's own background at First Boston was in the fee-based area and he said he planned to spend some of his time developing this business for CSFB.

The appointment of Dr Gabus is the first of several changes at CSFB, added Mr Hennessy. Mr Jeffrey Rosen, who has worked with Mr Seers at CSFB, is being sent to New York this summer to join First Boston's mergers and acquisitions team there.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday April 15.

Closing prices on April 5

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Anheuser-Busch 16¼ 88	50	102¼	103¼	0	-0¼	15.56
APS Fin. Co. 17⅛ 86	60	†104⅛	105⅛	0	-0⅛	15.57
APS Fin. Co. 16⅞ 89	75	102⅛	103⅛	0	-0⅛	15.47
Armco O/S Fin. 15⅛ 86	50	98⅜	99⅝	+0⅛	-0⅛	15.49
ATT 14⅝ 88	400	100⅛	100⅜	+0⅛	+1	14.12
Bakor Int. Fin. 0.0 92	225	25	25⅝	+0⅛	-0⅛	14.71
Bank Montreal 15¾ 91	150	102⅛	103⅛	+0⅛	-0⅛	15.60
Br. Colum. Hyd. 16⅛ 88	100	102⅛	103⅛	+0⅛	-0⅛	15.42
Eurocpiria Int. 15⅛ 92	50	100¼	101⅛	+0⅛	+0⅛	15.27
Canadair 15⅞ 87	150	100⅜	100⅞	+0⅛	+0⅛	15.33
Can. Nat. Rail. 14⅞ 91	100	97⅛	97⅞	0	+0⅛	15.09
Carolina Power 16⅛ 89	100	103⅜	104⅛	+0⅛	+1	15.48
Caterpillar Fin. 16⅛ 86	100	102⅜	102⅞	+0⅛	+0⅛	15.54
CFMP 16⅜ 96	100	101⅛	102⅛	+0⅛	+0⅛	15.44
CIBC 16 87	100	101⅛	102⅛	+0⅛	+0⅛	15.41
Citicorp O/S 16⅛ 88	150	103⅛	104⅛	+0⅛	+0⅛	15.40
Citicorp O/S 16⅛ 87	125	100	100⅛	+0⅛	+0⅛	15.44
CNA 15⅞ 87	75	98⅛	99⅛	—	—	18.13
Cons.-Bathurst 17⅛ 89	60	101⅛	101⅞	-0⅛	-0⅛	17.02
Con. Illinois 15⅞ 88	100	101⅛	102	+0⅛	-0⅛	15.30
Duoont O/S 14⅞ 88	400	99⅛	99⅞	+0⅛	-0⅛	14.60
Duoont O/S Cap. 0.0 90	300	34⅛	35⅛	+1	+1	14.38
EIB 15⅞ 89	100	99⅛	100⅛	+0⅛	+0⅛	15.52
Gen. Elec. Credit 0.0 92	400	27	27⅛	+0⅛	+0⅛	14.09
Gen. Elec. Credit 0.0 93	400	25⅛	25⅛	+2	+2⅛	13.25
GMAC O/S Fin. 16⅛ 84	100	101⅛	102⅛	+0⅛	+0⅛	15.29
GMAC O/S Fin. 16 88	150	101⅛	102	+0⅛	+0⅛	15.48
Gulf Oil Fin. 0.0 92	300	29⅛	29⅛	+0⅛	+0⅛	14.34
Int.-Am. Dv. Bk. 15⅛ 87	55	99⅛	99⅛	—	—	15.24
Japan Airlines 15⅛ 88	50	101⅛	101⅛	+0⅛	+0⅛	14.85
Japan Dev. Bk. 16⅛ 87	50	101⅛	102⅛	+0⅛	+1	14.67
Nat. Bk. Canada 16⅛ 86	40	99⅛	99⅛	-0⅛	-0⅛	17.27
Nat. West 14⅛ 91	100	99⅛	99⅛	+0⅛	+0⅛	14.81
New Brunswick 16⅛ 89	75	101⅛	102⅛	-0⅛	-0⅛	15.73
New & Lab. Hy. 17⅛ 89	75	104⅛	105⅛	+0⅛	+0⅛	15.97
Ohio Edison Fin. 17⅛ 89	75	104⅛	105⅛	+0⅛	+0⅛	16.12
OKG 15⅛ 97	100	99⅛	99⅛	-0⅛	-0⅛	15.97
Ontario Hyd. 15 91 (N)	200	103⅛	104	+0⅛	+0⅛	15.18
Pac. Gas & El. 15⅛ 89	50	102⅛	102⅛	+0⅛	+0⅛	15.09
J. C. Penney Gl. 0.0 94	350	20⅛	20⅛	+0⅛	+0⅛	14.35
Quebec Hydro. 17⅛ 91	150	105⅛	107⅛	0	-0⅛	15.72
Quebec Prov. 15⅛ 89	150	98⅛	99	+0⅛	-0⅛	15.72
R.J. Rynlds. O/S 0.0 92	400	24⅛	25⅛	+0⅛	0	15.03
Saskatchewan 16⅛ 86	100	102⅛	103⅛	+0⅛	+0⅛	15.43
Saskatchewan 15 89	125	102	102⅛	+0⅛	+0⅛	15.44
Statoil 15⅛ 87	50	99⅛	101	+0⅛	+0⅛	15.77
Sweden 14⅛ 89	150	99⅛	99⅛	+0⅛	+0⅛	14.62
Swed. Ex. Cred. 15⅛ 93	75	101⅛	101⅛	+0⅛	0	15.17
Swed. Ex. Cred. 15 89	100	99⅛	100⅛	+0⅛	+0⅛	15.05
Swed. Ex. Cred. 0.0 94	200	19⅛	20⅛	—	—	14.38
Texas Eastern 15⅛ 88	75	102⅛	102⅛	+0⅛	+0⅛	15.23
Transcanada 16 89	100	100⅛	101	-0⅛	+0⅛	15.76
Wells Fargo I. F. 15 87	75	100⅛	100⅛	—	—	14.87
WMC Fin. 15⅛ 89	100	98⅛	99⅛	—	—	15.67
World Bank 16⅛ 88	100	103⅛	104	0	-0⅛	15.91
World Bank 15⅛ 88	250	99⅛	100	+0⅛	+0⅛	15.29

Average price changes... On day +0⅛ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 9⅛ 91	200	102⅛	103⅛	+0⅛	+0⅛	8.97
Australia 9⅛ 91	200	103⅛	103⅛	+0⅛	+0⅛	9.08
Seinsleistrie 11 91	100	101⅛	102⅛	0	-0⅛	10.24
Como. Tel. Ent. 10⅛ 92	100	100	100⅛	+1⅛	+1⅛	10.42
Denmark 10 89	100	101⅛	102	+0⅛	+1	9.59
Denmark 10⅛ 92	100	101⅛	102	+0⅛	+1	9.83
EEC 10⅛ 91	100	104⅛	104⅛	+0⅛	+1	9.80
EEC 9⅛ 94	200	102⅛	102⅛	+0⅛	+0⅛	9.27
EIB 9⅛ 91	200	101⅛	102	+0⅛	+0⅛	9.33
Inter-American 10⅛ 91	100	103⅛	104⅛	-0⅛	-0⅛	9.50
Ireland 10⅛ 88	100	101⅛	102⅛	+0⅛	+1⅛	9.62
Mexico 11 88	100	101⅛	102⅛	+0⅛	+1⅛	10.44
Mt. Bk. Dnmk. 10⅛ 91	100	100⅛	101⅛	+0⅛	+0⅛	10.14
Nacnl. Financiera 11 90	100	100⅛	100⅛	+1⅛	+1⅛	10.84
Nat. West. 9⅛ 92	100	101⅛	101⅛	0	+0⅛	9.12
New Zealand 9⅛ 89	200	104⅛	104⅛	+0⅛	+0⅛	8.85
OKB 10⅛ 91	100	104⅛	104⅛	-0⅛	+0⅛	9.66
OKB 9⅛ 88	100	102	102⅛	+1	+1⅛	9.08
Quebec 10⅛ 92	150	103	103⅛	+0⅛	+1⅛	9.77
Ruhrgas Hydro 10⅛ 91	150	104⅛	104⅛	+0⅛	+1⅛	9.50
Tauernautobahn 9⅛ 94	100	103	103⅛	0	+1⅛	9.11
Venezuela 11⅛ 91	150	101⅛	102	0	-0⅛	11.24
World Bank 10 91	250	101⅛	102⅛	+0⅛	+1	9.32

Average price changes... On day +0⅛ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Ansett Transport 7⅛ 92	50	103⅛	104⅛	+0⅛	+1	7.01
Asian Dev. Bank 8 90	80	105	105⅛	+0⅛	+1⅛	7.17
Australia 6⅛ 93	100	101⅛	101⅛	-0⅛	-0⅛	6.51
Belgelectric 7⅛ 91	80	103⅛	103⅛	+0⅛	+2⅛	7.02
Bell Canada 7⅛ 91	100	102⅛	103⅛	+0⅛	+1⅛	7.16
Ret. de Autobiss 8 90	70	104⅛	105	+0⅛	+1⅛	6.46
Co-op. Denmark 6⅛ 92	40	101⅛	101⅛	+0⅛	+1⅛	6.89
Denmark 7⅛ 91	100	101⅛	102⅛	+0⅛	+1⅛	7.02
EIB 7⅛ 91	100	101⅛	101⅛	-0⅛	+0⅛	6.99
Elec. de France 7 92	100	102	102⅛	+0⅛	+1⅛	6.66
ENEL 8 92	100	101⅛	101⅛	+0⅛	+1⅛	7.90
First City Fin. 8 91	25	101⅛	102⅛	+0⅛	0	7.78
Japan Air Lines 7⅛ 91	100	101⅛	102⅛	+0⅛	+1⅛	7.32
Manitoba 7 92	100	101⅛	102⅛	+0⅛	+1⅛	6.86
National Pwr. Co. 8 92	30	103⅛	104⅛	+0⅛	+1⅛	7.48
Nippon T. and T. 6⅛ 92	100	103⅛	104⅛	+1⅛	+1⅛	6.02
NKB 7⅛ 88	100	101⅛	101⅛	+0⅛	+1⅛	7.12
Ost. Donaukraft 7 92	100	101⅛	102⅛	+0⅛	+1⅛	6.76
Ost. Postspark 7⅛ 92	100	102⅛	104	+0⅛	+1⅛	6.65
Quebec 7⅛ 92	100	102⅛	103⅛	+0⅛	+1⅛	7.19
Saint-Etienne 8⅛ 91	20	106	106⅛	0	-0⅛	7.55
Soc. Lux. de Cnt. 8⅛ 92	100	105⅛	106	0	+1	7.32
TNT O/S Fin. 8 91	50	103⅛	103⅛	+0⅛	+1⅛	7.46
Trnnocanada Pipe. 7 94	100	103⅛	104	0	+0⅛	6.59
Unilever NV 7⅛ 93	100	105⅛	106⅛	-0⅛	-0⅛	6.86
World Bank 8 91	100	104⅛	105⅛	+0⅛	+1	7.76

Average price changes... On day +0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8⅛ 81	15	100⅛	101⅛	+0⅛	-0⅛	8.11
Int.-Amer. Dev. 8⅛ 91	15	101⅛	102⅛	+0⅛	-0⅛	8.00
Japan Airlines 7⅛ 87	5	97⅛	97⅛	-0⅛	-0⅛	8.40
New Zealand 8⅛ 87	15	100⅛	101⅛	-0⅛	0	8.28
World Bank 8⅛ 82	20	100⅛	101⅛	—	—	8.31

Average price changes... On day 0 on week -0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Montreal 17 89 C$	50	†101⅛	102⅛	—	—	16.48
Nt. Bk. Can. 16⅛ 88 C$	50	†101⅛	102⅛	—	—	16.52
Pancanadian 16⅛ 86 C$	65	†98	99⅛	0	-0⅛	16.89
Quob. Hydro 16⅛ 89 C$	50	†99⅛	100⅛	0	-0⅛	16.44
Quob. Urban 16⅛ 86 C$	20	†100	101	0	0	16.50
Tordon Pr. 16⅛ 88 C$	25	†97⅛	98⅛	+1	-0⅛	17.03
Transalta 17 89 C$	50	†99⅛	100	0	-0⅛	17.02
U. Bk. Nwy. 9⅛ 90 EUA	18	90⅛	92	0	-1⅛	11.22
Algemene Bk. 10⅛ 86 Fl	75	101⅛	102⅛	+0⅛	+0⅛	9.80
Amfas Group 12⅛ 86 Fl	40	104⅛	104⅛	0	0	10.96
Amro Bank 12 86 Fl	75	105⅛	106⅛	0	+0⅛	10.32
Amro Bank 12 86 Fl	75	103⅛	104⅛	-0⅛	+0⅛	10.18
Pierson 10⅛ 86 Fl	50	100⅛	101	+0⅛	+0⅛	10.07
Rabobank 12 86 Fl	50	105⅛	106	0	+0⅛	10.22
OKB 14 86 FFr	400	90	91	0	0	17.54
Solvay et C. 14⅛ 86 FFr	200	90⅛	91⅛	-0⅛	-0⅛	16.81
Acona 14 85 £	15	93⅛	94⅛	-0⅛	-0⅛	16.25
Beneficial 14⅛ 90 £	20	94⅛	95⅛	+0⅛	+0⅛	15.82
BFCE 14⅛ 87 £	20	97⅛	98⅛	-0⅛	0	15.03
BNP 13⅛ 91 £	15	90⅛	91⅛	-0⅛	0	15.37
CECA 13⅛ 88 £	15	90⅛	91⅛	-0⅛	-0⅛	14.86
Fin. Ex. Cred. 13⅛ 88 £	15	94⅛	95⅛	+0⅛	+0⅛	15.38
Gen. Elec. Co. 12⅛ 89 £	50	93⅛	94⅛	-0⅛	0	13.96
Hiram Walker 14⅛ 86 £	25	96⅛	97⅛	-0⅛	-0⅛	15.25
Privatbanken 14⅛ 88 £	12	91⅛	92⅛	-0⅛	-0⅛	15.73
Reed (Nd) NV 16⅛ 88 £	25	100⅛	101⅛	-0⅛	-0⅛	16.47
J. Rothschild 14⅛ 90 £	12	94⅛	95⅛	-0⅛	+0⅛	15.05
Royal Trustco 14 86 £	12	95⅛	96⅛	-0⅛	-0⅛	15.32
SDR France 15⅛ 92 £	30	97⅛	98⅛	—	—	15.83
Swed. Ex. Cr. 13⅛ 86 £	20	96	97	-0⅛	-0⅛	14.77
Eurofima 10⅛ 87 LuxFr	500	98⅛	100⅛	-0⅛	+0⅛	10.50
EIB 9⅛ 88 LuxFr	600	96⅛	97⅛	-0⅛	+0⅛	10.06

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5⅛ 91	0⅛	99⅛	99⅛	29/4	17.06	17.21
Bk. of Tokyo 5⅛ 91 (D)	0⅛	98⅛	99⅛	10/8	13⅛	13.42
Bank Nova Scotia 5⅛ 93	0⅛	99⅛	99⅛	29/4	17.06	17.19
BFCE 5⅛ 88	0⅛	99⅛	100⅛	1/4	14⅛	17.09
BFCE 5⅛ 87	0⅛	99⅛	100	27/7	16⅛	16.29
CCCE 5⅛ 2002	0⅛	99⅛	100	11/8	14⅛	14.56
Co-Ban Eurofin 5⅛ 91	0⅛	99⅛	99⅛	14/9	18.66	18.92
Credit Agricole 5⅛ 97	0⅛	98⅛	99⅛	22/6	15.44	15.53
Credit Nat. 5⅛ 94	0⅛	99⅛	99⅛	14/9	14.69	14.87
Denmark, Kngdm. of 92	0⅛	99	99⅛	25/8	15.44	15.55
Den Norske Cred. 5⅛ 93	0⅛	97⅛	98⅛	22/4	13.94	14.16
Genfinance 5⅛ 92	0⅛	99⅛	100	30/5	15⅛	15.54
GZB 5⅛ 92	0⅛	98⅛	99⅛	2/6	15⅛	15.62
Ind. Bank Japan 5⅛ 88	0⅛	99⅛	99⅛	26/8	13.31	13.35
Lloyds Eurofin 5⅛ 93	§0⅛	99⅛	99⅛	28/4	17.13	17.26
LTCB Japan 5⅛ 89	0⅛	99⅛	100⅛	3/6	13⅛	13.60
Midland Int. Fin. 5 91	0⅛	99⅛	99⅛	30/4	17.06	17.17
Nat. West. Fin. 5⅛ 91	§0⅛	99⅛	99⅛	15/7	15.19	15.28
Nippon Credit 5⅛ 90	0⅛	98⅛	99⅛	20/8	13⅛	13.41
Nordic Int. Fin. 5⅛ 91	0⅛	99⅛	99⅛	5/5	15⅛	15.62
Offshore Mining 5⅛ 91	0⅛	98⅛	99⅛	2/8	13	13.13
Pemex 5 81	0⅛	99⅛	99⅛	8/4	17	17.08
PKbanken 5 91	0⅛	98⅛	99⅛	18/6	14⅛	14.54
Sanwa Int. Fin. 5⅛ 88	0⅛	99⅛	99⅛	24/9	14⅛	14.69
Scotland Int. 5⅛ 92	0⅛	99⅛	99⅛	24/9	15.31	15.40
Sec. Pacific 5⅛ 91	0⅛	99⅛	99⅛	23/9	15⅛	15.65
Societe Generale 5⅛ 91	0⅛	99⅛	99⅛	24/6	13⅛	13.89
Societe Generale 5⅛ 95	0⅛	99⅛	99⅛	22/7	13⅛	13.95
Standard Chart. 5⅛ 91	0⅛	99⅛	99⅛	1/9	15.31	15.41
Sumitomo Fin. 5⅛ 88	0⅛	99⅛	99⅛	9/8	15	15.04
Sweden 5⅛ 88	0⅛	98⅛	99⅛	26/8	15.31	15.43
Toronto Domin'n 5⅛ 92	0⅛	99⅛	99⅛	1/6	16⅛	16.44

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	5/81	933	86	87⅛	-2⅛	-1.34
Bow Valley Inv. 8 96	4/81	23.12	97⅛	99	-0⅛	14.60
Bridgestone Tire 5⅛ 96	3/82	470	98⅛	99⅛	-0⅛	0.12
Canon 6⅛ 95	1/81	703	150	152	-5⅛	6.10
Daiwa Secs. 5⅛ 96	12/81	513.2	62	64	+1	-0.25
Fujitsu Fanuc 4⅛ 96	10/81	5641	88⅛	89⅛	+0⅛	16.64
Furukawa Elec. 5⅛ 96	7/81	300	75⅛	76⅛	-1	2.56
Hanson O/S Fin. 9⅛ 96	8/81	1.36	102	93	0	-4.28
Hitachi Cable 5⅛ 96	2/82	515	86⅛	87⅛	-0⅛	4.69
Hitachi Cred. Cpn. 5 96	7/81	1512	73	74	-0⅛	4.45
Honda Motor 5⅛ 97	3/82	841	74⅛	75⅛	+0⅛	11.23
Inchcape 8 95	2/81	4.05	92⅛	93⅛	-1	-3.26
Kawasaki 5⅛ 96	8/81	229	71	72	-0⅛	4.85
Marui 6 96	7/81	846.4	90⅛	92	+0⅛	5.30
Minolta Cmers 5 96	10/81	826.4	61	62⅛	+0⅛	20.60
Minorco 9⅛ 97	5/82	8.15	97	98⅛	+0⅛	12.71
Murata 5⅛ 96	7/81	2168	67⅛	69	+0⅛	25.66
NKK 6⅛ 96	10/81	150	82	83⅛	+0⅛	-11.98
Nippon Chemi-C. 5 81	10/81	916	73⅛	74⅛	+0⅛	20.40
Nippon Electric 5⅛ 97	2/82	848	96⅛	97⅛	+0⅛	5.75
Orient Finance 5⅛ 97	3/82	1205	95⅛	97⅛	+0⅛	9.06
Sanyo Electric 5 96	10/81	652	65⅛	67⅛	+0⅛	7.92
Sumitomo Elec. 5⅛ 97	3/82	577.3	84⅛	86⅛	+0⅛	7.90
Sumitomo Met. 5⅛ 96	10/81	236.1	86⅛	87⅛	0	10.81
Swiss Bk. Cpn. 6⅛ 90	9/80	195	101	102	-⅛	3.28
Konishiroku 5 90 DM	2/82	685	100	101	+2	1.20
Mitsubishi H. 6 88 DM	2/82	263	94⅛	95⅛	-0⅛	3.89

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate († three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Share deals in RSV and Stevin suspended

By Charles Batchelor in Amsterdam

The Amsterdam Stock Exchange yesterday suspended trading in the shares of the Rijn-Schelde-Verolme (RSV) shipbuilding group and Volker-Stevin (VS), the dredging company, pending statements from the two companies today.

The two companies declined to comment yesterday, but the suspension is believed to be connected with a dispute over the delayed completion of an advanced deep-sea dredging platform, the Simon Stevin, which is under construction at RSV.

VS has refused to take delivery of the platform, saying the delay has meant it has missed the market for which it was intended. The dispute is currently under consideration by independent arbitrators.

VS ordered the Fl 200m ($75m) platform in 1978 for delivery in October 1979, but a strike at RSV and technical difficulties have meant that it has not been completed. Construction costs are now believed to be much higher than the original estimate.

The Simon Stevin is claimed to be the world's first semi-submersible cutter dredger. It is 250 feet tall, weighs 30,000 tonnes, and is designed to walk along the sea bed and work in more severe wave and seabed conditions than existing dredgers.

Apart from its problems with the Simon Stevin, RSV has made large losses on a number of energy generation projects in Algeria, though it still expects to announce a 1981 loss lower than the Fl 29m in 1980. It recently requested the rescheduling of a Fl 150m Government-backed loan to enable it to strengthen its financial ratios.

VS has also had its problems and incurred a Fl 280m loss in 1980. It expects to reduce this loss to Fl 20-Fl 25m for 1981.

BNP's London offshoot boosts profits

By Our Financial Staff

Banque Nationale de Paris plc, the London arm of the major French banking group, reports an increase from £6.7m to £8.8m ($15.7m) in net profits for 1981 and is stepping up its dividend to 12 per cent from 10 per cent.

Despite tighter margins, profits on sterling operations were maintained while on the foreign currency side the bank claims to have had an excellent year.

Swiss Bank in UK expansion

By Our Banking Correspondent

SWISS BANK Corporation is injecting some £15m ($26.7m) of extra capital into Swiss Bank Corporation International, its London-based investment banking arm. It is also merging SBC Finance (UK), its finance company which concentrates on lending to corporate and government customers, into Swiss Bank Corporation International.

Metallgesellschaft faces further cut in dividend

BY KEVIN DONE IN FRANKFURT

WEST GERMAN metals, process plant, chemicals and transport concern Metallgesellschaft, registered a fall of 8 per cent in group sales t. DM 3.9bn ($1.63bn) in the first five months of the current year.

Profit margins under heavy pressure, particularly because of continuing losses in its manufacturing division. Metallgesellschaft says it faces a further cut in dividend following the reduction of one third to DM 4 a share of the 1980-81 payment.

Turnover world wide jumped by 20 per cent to DM 11.3bn in the year ended September, 1981 compared with DM 9.4bn in the previous year, boosted by the completion of several large process plant contracts and by the weakness of the D-mark against the dollar.

But after-tax profits of the domestically consolidated group—no world consolidated accounts are published—fell by 19.5 per cent to DM 33.8m compared with DM 42m

The chief reason for falling sales this year is a drop of one-third in the turnover of the Lurgi process plant engineering subsidiary. However, Lurgi has booked important new orders this year totalling DM 1.48bn after five months, compared with DM 1.75bn in the whole of 1980-81. It expects new plant orders this year to total about DM 2.9bn.

Elsewhere, the company is still suffering major problems in manufacturing particularly in its nickel-based production activities. The cost of reorganising these operations could burden group profits "for at least two years."

Metallgesellschaft's raw materials division, which now includes chemicals trading along with ore and metals trading, is also suffering from the local capacity working of its smelters which have been hit by low demand and falling prices.

With a link smelting capacity of 190,000 tonnes a year, this company has been unable to close the gap between the rising cost of zinc concentrate, its raw material, and falling product prices.

Poclain risks slide into losses

BY DAVID WHITE IN PARIS

POCLAIN, the French construction equipment specialist which is 40 per cent-owned by Case-Tenneco of the U.S., risks falling back into losses this year.

M Pierre Bataille, the chairman, has said he does not rule out this possibility and that the year will be "extremely difficult."

Group net profits in 1981 tumbled to FFr 40m ($6.5m) from FFr 104m, on sales almost 15 per cent higher at FFr 3.15bn. At parent company level, earnings were down to FFr 18m from just under FFr 104m.

The group managed to increase its market penetration in hydraulic shovels, in which it is world leader. Its share in the international market, excluding Japan and the Communist countries, rose from 15 per cent to 16 per cent.

But the company reported that its 11 principal markets, including France, shrank by 16 per cent during the year and were expected to decline by a further 8 per cent this year. These markets account for around 75 per cent of turnover.

The French market, after showing signs of recovery in 1979 and 1980, had deteriorated to its lowest level for 10 years, the company said.

The inflation differential between France and major export clients such as West Germany "cannot but have a negative impact on sales," it said. The company introduced short-time working last year and is envisaging reductions in its workforce this year through early retirement.

CGE acquires Gould's portable battery division

BY OUR PARIS STAFF

FRANCE'S state-owned CGE has acquired the portable battery division of Gould, the U.S. group—a project that was blocked during the Carter Administration when the French concern was still in private hands.

Talks on the purchase, which is expected to boost the sales of CGE's specialised subsidiary SAFT by $30m this year, were first started almost two years ago. But the plan was shelved after U.S. competitors started anti-trust actions.

The acquisition is expected to hoist SAFT America into second position on the market behind General Electric and to give it 20 per cent of world sales in this field.

Although a revival of the deal has been under discussion for some time, it is the first move of its kind to be announced since the nationalisation of CGE and four other French industrial groups became effective in February. CGE emphasised that the deal would be financed 100 per cent locally, without any currency being exported from France.

The price of the deal was not revealed. CGE said that final terms, based on book value, were still being worked out, but the sum would "not be enormous." The deal involves two plants, at St Paul, Minnesota, and at Tijuana in Mexico, jointly employing 440.

SAFT, which is 77 per cent controlled by CGE, already has five plants in its North American operation, including three in Canada.

CGE said the deal would provide a reinforced marketing network for SAFT's other products in the U.S. and enable the group to transfer part of Gould's output to its French plants in order to supply the European market.

Improvement at Brostrom

BY WILLIAM DULLFORCE IN STOCKHOLM

BROSTOM, the Swedish shipping group, reduced its pre-tax loss from SKr 70m to SKr 21m ($3.6m) last year. The directors propose to pass the dividend for the seventh year running.

The group improved operating earnings by SKr 60m to SKr 188m in 1981 on sales which advanced by 5 per cent to SKr 2.2bn. Sales of ships produced an income of SKr 47m.

Despite some debt repayments, however, net financial charges grew by SKr 19m to SKr 251m, boosted by high interest rates and the strength of the dollar. After extraordinary items, Broström shows a pre-tax loss of Skr 3m, against a loss of SKr 23m previously.

The liner division, which turned in a pre-tax loss of SKr 77m in 1980, is said to have "substantially improved" its result, particularly on the Mediterranean routes.

The bulk and trade division generated earnings of roughly the same amount as the previous year's SKr 51m in spite of declining markets in the latter part of the year for both dry cargoes and tankers.

Some profitable ship sales helped to produce a better result in the marine service division but it was not able to work to capacity.

Montedison settles dispute with unions

By James Buxton in Rome

THE LONG-RUNNING dispute over Montedison's plans to dismiss 1,700 workers, which led to serious protests in the southern port of Brindisi last month, has been settled. The chemical company has agreed not to proceed with the sackings, but will instead discuss with the unions putting some of the men affected on the state-assisted lay-off scheme.

The settlement is important for two reasons. First, it should defuse what ministers had feared could have deteriorated into a serious breakdown of order in Brindisi, one of the production centres affected. However, the workers there are likely to continue to occupy the chemical plant until its future is clarified.

Secondly, it should pave the way to an agreement between Montedison and ENI, the state energy company, on the future shape of the Italian chemical industry. It is expected to involve the transfer of some of Montedison's basic chemical production facilities to Enoxy, the joint venture of ENI and the U.S. oil company, Occidental. The Brindisi plant would be among those transferred.

● A dispute which has partially crippled many of the Ciga chain of luxury hotels in Italy since December has been settled, and the hotels, which include the chief hotels in Venice, Milan and Rome, are returning to normal. The dispute was over the management's sacking of more than 500 restaurant staff in an attempt to cut losses. Under the settlement, about one-third of those sacked will be taken on again. The remainder have already found new jobs. Ciga belongs to Sig Orazio Bagnasco's interprogramme group.

PARTNERS PERSIST WITH A$8bn GAS PROJECT

Woodside sits tight on the shelf

BY ADRIAN DICKS IN DAMPIER

WOODSIDE PETROLEUM, the operator and main financial vehicle for Australia's North West Shelf natural gas project, has, for better or worse, joined the select ranks of companies whose names catch the imagination of a wider public than the business and investment communities.

In the late 1980s Woodside achieved fame when it signed a US$1.4bn syndicated loan on the Euromarket—an impressive demonstration of the world banking community's thirst for big Australian energy resources projects.

A couple of weeks ago, Woodside achieved less desirable publicity when it was the object of a classic attempt to manipulate its stock price. The perpetrators are still being sought by British and Australian police.

Current interest in Woodside is running high, however, because of the North West Shelf joint venturers' difficulty in concluding firm sales contracts with the proposed Japanese buyers of the gas. This has led to widespread fears among sub-contractors, bankers, Australian politicians, and the public that the project might be in doubt.

Woodside and its partners say these fears are completely unfounded. They insist that the entire, enormous development, now taking shape on this desolate coastline, will go ahead sooner or later.

Yet the greater part of the project, involving huge gas liquefaction facilities, is marking time. No one is willing to say when sales contracts might be signed.

At a total cost that could eventually exceed A$8bn (US$8.5bn) in current prices, the North West Shelf is by far the biggest Australian resources project under development. Gas was first found in big quantities in 1971 about 135 kilometres north west of Dampier, the port built in the late 1960s on Western Australia's remote northern coast to handle iron ore exports from Hamersley's Tom Price mine. The partners decided to bring the gas ashore here largely because an infrastructure had already been built by Hamersley, now part of the CRA group.

The years that followed saw changes in the composition of the joint venture, notably the withdrawal of Burmah Oil of the UK in 1976. It now consists of Woodside itself, with 50 per cent, British Petroleum and Standard Oil of California with 16⅔ per cent each, and Royal Dutch Shell and Broken Hill Proprietary with 8⅓ per cent apiece. BHP and Shell are also the two largest shareholders in Woodside with just under 43 per cent between them and the public holding the rest.

In the first phase of the North West Shelf scheme, 385m cubic feet of gas a day will be taken ashore and sold to the State Energy Commission of Western Australia, which is building a 1,500 kilometre pipeline from the terminal at Withnell Bay, near Dampier, to Perth.

Work is on schedule to meet the target date for delivery of the gas in September 1984.

Since September 1980, when e formal decision to go ahead was taken, contractors have shifted 3m cubic metres of rust coloured rock and have cleared sites for the main onshore installations to clean the gas and separate out condensates as it comes ashore. Contracts for these are keenly awaited in the next few weeks.

In the meantime, a supply base is nearly finished and barges can be seen preparing the sea bed for the 40-inch pipeline from the North Rankin Field, where the foundations are being laid for the giant production platform structure, due to leave Nippon Kokan's Japanese yard by mid-April and to arrive by late-May.

For the second phase of the scheme a group of eight Japanese power companies signed letters of intent last July to buy 6m tonnes a year of North West Shelf gas in liquid form. The negotiations have not yet been concluded, however, and last month Woodside announced that the target date of April 1986 for the start of deliveries of the LNG had been put back a year.

Few details of the negotiations have yet emerged, but Woodside said when it announced the year's postponement that deliveries would build up to a "plateau level" by 1990.

Everything depends on how close this plateau will be to the 6m tonnes a year envisaged at the outset. A pricing formula for the gas has been agreed in principle: the Japanese buyers will pay no less than the average price of all the LNG being imported into Japan when deliveries begin from the North West Shelf.

The main sources of supply include Brunei, Alaska, Abu Dhabi, Indonesia, and Malaysia —areas in several of which one or other of the North West Shelf partners has an interest.

The problem for the Japanese customers appears to be that because of conservation by fuel users they will need far less LNG than was originally envisaged. Australians expect Japan's total energy needs to be at least 10 per cent below what was forecast only a year or so ago.

For the Australian side the long-term risk is that a slacker rate of deliveries to Japan could seriously reduce the cash returns from the North West Shelf project.

In the immediate future, the timetable for building the highly expensive liquefaction plant here has slipped, with the danger that costs will be further increased. As it is, labour costs have in some areas risen as much as 70 per cent above estimates during site clearance operations.

Woodside has gone ahead with preparing sites for the LNG plant and storage tanks, while the pipeline is big enough to supply both phases of the project. The production platform will handle gas from up to 32 producing wells although only 12 will be needed to meet the deliveries due under phase one.

Contracts for further work on phase two will have to wait until a firm deal with the Japanese is signed. Woodside has ample funds until then counting the US$1.4bn facility, the A$175m in equity raised from its shareholders last year, and a further commitment by Shell and BHP to underwrite up to A$300m in borrowings if need be.

As soon as the contracts are signed, the joint venture partners are all likely to be in the market for huge sums to finance the liquefaction plant as well as a fleet of at least seven 125,000 cubic metre LNG tankers.

The teaser in the project is whether the continuing exploration of Woodside's offshore leases will also find oil, which is what the partners were hoping to find when the search began 15 years ago.

There have been several intriguing indications, most recently from the Goodwyn No. 6 well just to the south of North Rankin, but no one is letting themselves get excited yet.

Supply base near Dampier for North West Shelf gas project

International City maiden result

BY ROBERT COTTRELL IN HONG KONG

INTERNATIONAL CITY Holdings (ICH) the Hong Kong property company floated last June, has reported maiden profits of HK$147m (U.S.$25.2m) after tax for the 13 months to December. But Mr Li Ka Shing, the chairman, whose Cheung Kong group holds a major stake in ICH, said the group was only trading for the final seven months of the period. A dividend of 1.5 cents is proposed.

Earnings per share were 4.2 cents per share on the 3.5bn shares in issue at the end of the period. A weighted average of shares in issue over the 13 months would yield earnings of 7.7 cents.

The current year will be difficult, said Mr Li, but the group is relatively liquid and he is cautiously optimistic that the property market will improve. For the time being, however, ICH has discounted by 20 per cent unit prices at its City Garden development in North Point, Hong Kong.

● NEW WORLD Development Company has reported attributable profits of HK$523.2m for the six months to December, compared with a 1980 interim result of HK$91m. Much of the increase relates to an extraordinary gain on property sales of HK$427.4m. Earnings per share, before extraordinary items, were 10.9 cents, up from 9.6 cents.

The company says prudence in land-buying has left it comparatively unaffected by a depressed land market, and lower interest rates could lead to a property recovery in the second half of 1982.

Boustead fails to meet forecast

By Wong Sulong in Kuala Lumpur

BOUSTEAD HOLDINGS, the diversified Malaysian plantation and trading group, has reported a 32 per cent drop in pre-tax earnings to 16m ringgit (U.S.$6.8m) for the year ended December. This was 7m ringgit less than the group forecast in its rights issue in May.

The decline in earnings was largely due to the depressed price of rubber and higher interest charges. Boustead has a far larger acreage under rubber than oil palm, the reverse of its main Malaysian competitors.

Strong sales and income growth at Pick 'n Pay

BY THOMAS SPARKS IN JOHANNESBURG

PICK 'N PAY, which is one of South Africa's largest and fastest expanding retail chains, has continued the high rate of growth of the past several years, raising pre-tax trading income by 35.6 per cent to R35.56m ($33.7m) in the year to February 28, from R26.23m in the previous year. Turnover rose by 30.7 per cent to R974m ($923m), from R745m.

The proportion of trading profit to turnover increased to 3.65 per cent, from 3.53 per cent. This, the management says, was due to the greater contribution of non-food items to the overall sales range. Margins on food items were maintaoed.

Six new stores were opened during the year, and several others converted and increased in size. The group now has 61 stores under its management and is planning to open enother three supermarkets in the first half of the current financial year. In the second half three more supermarkets will be opened, as well as the concern's ninth hypermarket.

Operations are being extended into Australia in a joint venture which will give Pick 'N Pay 33 per centof a new supermarket-cum-hypermarket.

Mr Raymond Ackerman, the chairman, is confident that despite the South African economic slow down Pick 'N Pay will increase sales and profit by at least 20 per cent this year.

A total dividend of 49 cents a share bas been declared, from earnings of 123 cents a share. The previous year brought earnings of 102.4 cents a share, and a total dividend of 36.6 cents.

Japanese companies to increase capital spending

BY YOKO SHIBATA IN TOKYO

CAPITAL SPENDING by Japanese companies is expected to hold up reasonably well io fiscal 1982 despite the growing signs of an economic slowdnwn, according to surveys by three government financial institutions.

The bighest forecast for the rate of growth of investment is 11.2 per cent by the Japan Development Bank, although the electric power industry has cut its plans since the forecast was made.

The forecasts by the Industrial Bank of Japan (6.8 per ceot growth this year against 10.1 per cent last year) and by the Long Term Credit Bank (8.3 per cent, against 10.6 per cent) are considered more realistic outlooks.

Manufacturing companies are likely to increase their spending by 5.2 per cent this year, according to the IBJ and by the 8.3 per cent, according to the LTCB.

But the IBJ believes the overall figure for the sector is distorted by an 18.6 per cent decline in spending by oil refiners and reduced spending by car and electrical machinery makers — both major spenders.

Non - manufacturing companies expect to lift their spending by 7.6 per cent, according to the IBJ, and by 8.2 per cent, according to the LTCB.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

CURRENCIES, MONEY and GOLD

Sterling weak

Sterling fell in currency markets yesterday as a result of the Falkland Islands situation. It recovered a little towards noon but then fell sway once more on news of the resignation of Lord Carrington and other leading figures. The Bank of England probably gave some help at the lower levels.

The dollar was generally firmer despite Friday's larger than expected fall in U.S. money supply and the market appeared to be reacting to a rise in money supply expected in mid-April and continuing concern over the U.S. budget deficit.

Pressure eased within the European Monetary System yesterday, helped to some extent by sterling's sharp decline. The Belgian franc was the weakest member but well within its divergence limit while the D-mark continued to improve and remained the strongest member. It was also towards the upper end of its permitted range from central rates. The Dutch guilder was also firmer and remained the second strongest currency.

STERLING — Trade weighted index 90.3 against 90.5 at noon, 90.4 in the morning and 91.0 on Friday (90.5 six months ago). Three-month interbank 13¾ per cent (13⅜ per cent six months ago). Annual inflation 11 per cent (12 per cent previous month) — Sterling opened at $1.7790 against the dollar which turned out to be its best level of the day. By noon it had fallen to $1.7750 and touched a low in the afternoon of $1.7660 before finishing at $1.7675-1.7685, a fall of 1.8c and its worst closing level since October 1977.

DOLLAR — Trade weighted index 116.2 against 115.8 on Friday and 110.3 six months ago. Three-month Treasury bills 13.20 per cent (15.62 per cent six months ago). Annual inflation 7.7 per cent (8.4 per cent previous month) — The dollar closed at DM 2.4130 against the D-mark up from DM 2.40 and SwFr 1.9530 from SwFr 1.9425. This was its best level since early October last year. Against the yen it rose to Y248.75 from Y247.

D-MARK — EMS member (strongest) trade weighted index 123.3 against 123.4 on Friday and 117.1 six months ago. Three-month interbank 9.375 per cent (12.85 per cent six months ago). Annual inflation 5.1 per cent (5.5 per cent previous month)—There was no intervention by the Bundesbank at yesterday's fixing of the dollar although there may have been small sales earlier in the day when the U.S. unit touched DM 2.4090. It was fixed at DM 2.4095, hardly changed from an opening level of DM 2.4100 but up from Friday's fixing of DM 2.3966. Sterling fell to DM 4.2730 from DM 4.2940 and the Swiss franc was lower at DM 1.2347 compared with DM 1.2394. Within the EMS, however, the Dutch guilder rose to DM 90.3350 per Fl 100 from DM 90.165 and the French franc to DM 38.54 per FFr 100 from DM 38.36. The Belgian franc was also firmer at DM 5.3140 per BFr 100 from DM 5.2920.

EUROCURRENCY interest rates showed mixed changes yesterday with the market tending to lack direction after the recent easing of pressure within the EMS. Euro-dollar rates were slightly easier and the forward dollar was considerably stronger against sterling. Euro-French franc rates were virtually unchanged from Friday while the franc showed a strong improvement in the forward market as speculation over an imminent reshuffle within the EMS receded.

THE POUND SPOT AND FORWARD

April 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7660-1.7790	1.7675-1.7685	0.28-0.38c dis	−2.24	0.82-0.92dis	−1.97
Canada	2.1660-2.1800	2.1685-2.1695	0.52-0.62c dis	−3.15	1.60-1.70dis	−3.04
Nethlnd.	4.69-4.73	4.70-4.71	2-1½c pm	4.46	5⅞-5⅜ pm	4.78
Belgium	80.20-80.70	80.40-80.50	50-70c dis	−8.95	105-125 dis	−5.72
Denmark	14.52-14.62	14.52½-14.53½	5¾-6¾ore dis	−4.98	14¾-14¾ dis	−0.01
Ireland	1.2265-1.2365	1.2285-1.2295	0.62-0.74p dis	−6.64	1.87-2.04dis	−6.36
W. Ger.	4.25½-4.29	4.26½-4.27½	1½-1¼pf pm	3.86	4½-4⅛ pm	4.10
Portugal	126.00-129.00	126.25-127.25	110-280c dis	−18.45	325-710dis	−16.33
Spain	188.90-190.00	188.75-188.95	75-105c dis	−5.72	225-270 dis	−5.24
Italy	2337 2351	2338½-2340½	37-41lire dis	−20.00	80-85 dis	−14.11
Norway	10.80-10.84	10.81-10.82	4¾-5⅞ore dis	−5.89	7½-8⅞ dis	−1.99
France	11.06-11.11	11.07-11.08	12-15c dis	−14.63	27-30 dis	−10.29
Sweden	10.49-10.55	10.49½-10.50½	5ore pm-par	0.36	1-½ pm	0.25
Japan	438-443	439½-440½	2.50-2.20y pm	6.41	7.40-7.10 pm	6.58
Austria	29.85-30.05	29.92-29.97	13-9gro pm	4.41	34-27 pm	4.07
Switz.	3.44½-3.47½	3.45-3.46	2¾-2¼c pm	8.68	7-6½ pm	7.81

Belgian rate is for convertible francs. Financial franc 91.10-91.20.
Six-month forward dollar 1.62-1.72c dis. 12-month 2.60-2.75c dis.

THE DOLLAR SPOT AND FORWARD

April 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7660-1.7790	1.7675-1.7685	0.28-0.38c dis	−2.24	0.82-0.92dis	−1.97
Ireland†	1.4340-1.4425	1.4390-1.4410	0.57-0.47c pm	4.35	1.62-1.47 pm	4.30
Canada	1.2260-1.2278	1.2270-1.2275	0.08-0.11c dis	−0.93	0.28-0.32dis	−0.98
Nethlnd.	2.6625-2.6725	2.6695-2.6725	1.57-1.47c pm	6.85	4.57-4.47 pm	6.79
Belgium	45.35-45.51	45.49-45.51	23-32c dis	−7.26	42-52 dis	−4.13
Denmark	8.2100-8.2355	8.2200-8.2300	1.80-2.10ore dis	−2.85	4.00-4.50dis	−2.07
W. Ger.	2.4030-2.4140	2.4125-2.4135	1.25-1.20pf pm	6.09	3.75-3.70 pm	6.17
Portugal	71.00-72.80	71.50-72.00	70-170c dis	−20.07	175-475dis	−18.12
Spain	106.65-107.00	106.75-106.80	30-40c dis	−3.93	80-100 dis	−3.37
Italy	1321½-1324½	1322-1323	19-22lire dis	−16.60	40-43 dis	−12.55
Norway	6.1125-6.1220	6.1150-6.1200	2.20-2.50ore dis	−4.61	2.20-2.50dis	−1.54
France	6.2375-6.2675	6.2625-6.2675	5¾-6¾c dis	−11.01	12½-14 dis	−8.46
Sweden	5.9235-5.9410	5.9350-5.9400	1.25-1.10ore pm	2.37	3.25-3.10 pm	2.14
Japan	247.40-248.90	248.70-248.80	1.85-1.70y pm	8.56	5.35-5.20 pm	8.48
Austria	16.88-16.94	16.90-16.91	10.10-8.90gro pm	6.73	27½-34½ pm	6.10
Switz.	1.9480-1.9580	1.9525-1.9535	1.80-1.72c pm	10.81	4.85-4.77 pm	9.85

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

April 5	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.3	−33.0
U.S. dollar	116.2	+8.5
Canadian dollar	88.4	−17.9
Austrian schilling	116.9	+26.5
Belgian franc	94.8	−2.1
Danish kroner	83.0	−13.9
Deutsche mark	123.3	+46.5
Swiss franc	151.8	+103.7
Guilder	114.3	+91.3
French franc	78.9	−16.1
Lira	54.2	−58.2
Yen	133.3	+27.4

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

April 2	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.698037	0.558238
U.S. $	12	1.11561	1.00038
Canadian $	15.32	1.36729	1.22614
Austria Sch.	5½	18.7757	18.8311
Belgian F.	13	50.4814	46.2764
Danish Kr.	11	9.14202	8.20547
D mark	7½	2.67367	2.39667
Guilder	8	2.96306	2.65396
French Fr.	9½	5.95918	5.23026
Lira	18	Unavail.	1318.48
Yen	5½	273.054	246.489
Norwgn. Kr.	8	6.78402	6.06810
Spanish Pts.	8	119.031	106.789
Swedish Kr.	10	6.59828	5.91064
Swiss Fr.	5½	2.13703	1.93420
Greek Dr'ch.	20½	—	62.9728

OTHER CURRENCIES

April 5	£	$		£ Note Rates
Argentina Peso	20,510-20,630†	11,660-11,700†	Austria	29.85-30.15
Australia Dollar	1.6890-1.6910	0.9530-0.9536	Belgium	90.20-91.20
Brazil Cruzeiro	261.17-262.17	147.47-148.21	Denmark	14.54-14.68
Finland Markka	8.165-8.175	4.6900-4.6220	France	11.04-11.14
Greek Drachma	110.881-114.089	63.80-63.40	Germany	4.25¾-4.28¾
Hong Kong Dollar	10.30-10.316	5.8290-5.8340	Italy	2310-2350
Iran Rial	147.50*	83.40*	Japan	440-445
Kuwait Dinar (KD)	0.506-0.511	0.2867-0.2868	Netherlands	4.71½-4.75½
Luxembourg Fr.	80.40-80.50	45.49-45.51	Norway	10.77-10.87
Malaysia Dollar	4.1296-4.1360	2.3353-2.3385	Portugal	124¾-130¼
New Zealand Dlr.	2.3165-2.3205	1.3075-1.3085	Spain	182½-193¼
Saudi Arab. Riyal	6.05-6.11	3.4895-3.4315	Sweden	10.48-10.58
Singapore Dollar	3.7705-3.7770	2.1335-2.1355	Switzerland	3.44½-3.48½
Sth. African Rand	1.8715-1.9730	1.0585-1.0595	United States	1.76-1.78
U.A.E. Dirham	6.49-6.55	3.6715-3.3735	Yugoslavia	91-99

† Now one rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 5	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	45.1883	+1.10	+1.10	±1.5440
Danish Krone	8.18382	8.17996	−0.05	−0.05	±1.6428
German D-Mark	2.41815	2.39697	−0.88	−0.88	±1.1097
French Franc	6.19564	6.22676	+0.50	+0.50	±1.3743
Dutch Guilder	2.67296	2.65269	−0.76	−0.76	±1.5069
Irish Punt	0.686799	0.692661	+0.85	+0.85	±1.6689
Italian Lira	1305.13	1315.65	+0.81	+0.81	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.
Sterling/ECU rate for April 3 ...... 0.561422

EXCHANGE CROSS RATES

April 5	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.768	4.270	440.0	11.075	3.455	4.705	2340.	2.169	80.46
U.S. Dollar	0.565	1.	2.415	248.9	6.264	1.954	2.661	1323.	1.227	45.50
Deutschemark	0.234	0.414	1.	103.0	2.594	0.808	1.102	547.9	0.508	18.84
Japanese Yen 1,000	2.273	4.018	9.705	1000.	25.17	7.852	10.69	5317.	4.930	182.8
French Franc 10	0.903	1.596	3.856	397.3	10.	3.120	4.248	2112.	1.958	72.64
Swiss Franc	0.289	0.512	1.238	127.4	3.205	1.	1.358	677.1	0.628	23.29
Dutch Guilder	0.213	0.376	0.908	93.59	2.354	0.734	1.	497.8	0.461	17.10
Italian Lira 1,000	0.427	0.756	1.826	188.1	4.734	1.477	2.011	1000.	0.927	34.39
Canadian Dollar	0.461	0.815	1.969	202.8	5.106	1.593	2.169	1079.	1.	37.09
Belgian Franc 100	1.243	2.198	5.308	546.9	13.77	4.293	5.848	2908.	2.696	100.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 5)

3 months U.S. Dollars		6 months U.S. dollars	
bid 15 5/16	offer 15 7/16	bid 15 5/16	offer 15 7/16

The fixing rates are the arithmetical means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

April 5	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin	Yen	Danish Krone
Short term	12⅞-13⅛	15-15¼	14-15	8⅞-9⅛	4-4½	9⅛-9⅜	17-23	80-60	23½-31½	19¾-13¼	6-6¼	21-23
7 day's notice	13-13¼	15⅛-15⅜	14-15	8⅝-8⅞	3¾-4	8⅞-8⅞	21-25	50-60	23-89½	13-13½	8⅝-6½	21-83
Month	13⅞-13⅝	15⅛-15⅜	15⅞-16⅛	8⅝-8⅞	4⅛-4½	9⅛-9⅜	26-28	39¼-35⅛	91½-24	13⅞-14⅛	8⅛-6⅛	10½-20¼
Three months	13½-13⅝	15⅛-15⅜	15½-15⅝	8⅞-8⅞	4⅛-4¼	8⅞-8⅞	24-25	27¼-28⅝	19-20	14¾-13	5½-5⅞	18¾-20¼
Six months	13⅞-13⅝	15⅛-15⅜	18½-16⅝	8½-8⅝	5⅛-5⅜	9⅛-9⅜	91½-22½	24⅞-25¾	17¾-18⅛	14¼-16	8¾-6⅞	17⅞-19⅜
One Year	13⅝-13¾	13⅞-15⅞	16½-18⅞	8⅞-8⅞	6-6⅛	9⅛-9⅜	19-20	24⅛-33⅛	15¾-17½	14⅝-14⅞	6¾-6⅞	17½-10

SDR linked deposits: one month 14¼-14¾ per cent; three months 13⅞-14¼ per cent; six months 13¾-13⅞ per cent; one year 13½-13¾ per cent.
ECU linked deposits: one month 15⅞-16⅛ per cent; three months 15⅛-15⅞ per cent; six months 14¾-14⅞ per cent; one year 13¾-14⅛ per cent.
Asian $ (closing rates in Singapore): one month 15⅛-15⅞ per cent; three months 15⅛-15⅞ per cent; six months 15⅛-15⅞ per cent; one year 15⅛-13¾ per cent. Long-term Eurodollar two years 15¼-15½ per cent; three years 15⅛-15⅜ per cent; four years 15⅛-15⅜ per cent; five years 15⅛-15⅞ per cent nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.
The following rates were quoted for London dollar certificates of deposit: one month 14.80-14.90 per cent; three months 14.80-14.90 per cent; six months 14.85-14.95 per cent; one year 14.85-14.95.

MONEY MARKETS

Nervous trading

London clearing bank base lending rate 13 per cent (since March 12)

A hangover from the tax paying season kept the supply of day-to-day credit very short in the London money market yesterday. Bills maturing in official bands coupled with a net market take-up of the weekly Treasury bill tender drained £568m according to the forecast from the Bank of England. Bank balances were £100m below target, but these were partly offset by a plus figure on Exchequer transactions of £151m, and a fall in the note circulation after the week-end of £148m.

Maturing bills held by the authorities are likely to create a continuing shortage of money market funds this week as the extremely large help given to the market in recent months unwinds.

Payment of tax during the first quarter of the year, plus transfers to the Exchequer following the civil service dispute, required very significant intervention from the authorities which is now running off in the form of bill maturities.

The Bank of England forecast a shortage of £400m yesterday, and gave assistance totalling £455m. In the morning £405m bills were purchased, comprising £63m bank bills in band 2 (15-33 days maturity) at 13 per cent; £75m bank bills in band 3 (34-63 days) at 12⅞-12$\frac{31}{32}$ per cent; £35m Treasury bills in band 4 (64-91 days) at 12½ per cent; and £232m bank bills in band 4 (64-91 days) at 12½-12$\frac{17}{32}$ per cent.

In the afternoon a further £50m bills were bought. These were made up of £3m bank bills in band 1 (up to 14 days) at 13¼ per cent; £2m bank bills in band 2 at 13 per cent; and £45m bank bills in band 4 at 12½-12$\frac{17}{32}$ per cent.

Interest rates showed a firmer trend in London as sterling weakened and the market reacted nervously to events concerning the *Falkland Islands*. The resignation of Lord Carrington as Foreign Secretary left interest rates around the highest levels of the day. In the interbank market three-month money finished at about 13⅝ per cent, a rise of ⅛ per cent from Friday.

Indications that the Bank of England may have given more than enough assistance to provide a calming influence, mainly by heavy intervention in the morning pushed overnight funds down to 2 per cent at the close.

GOLD

Sharp rise

Gold rose $9½ an ounce from Friday's close in the London bullion market yesterday to finish at $337¼-338¼. Initial reaction to unrest in the Falklands pushed the metal to a high of $339-340 but this attracted profit-taking and the metal soon fell to a low of $334¼-335¼. Trading quietened down during the afternoon with business confined to a narrow range.

In Frankfurt the 12½ kilo bar was fixed at DM 26,055 per kilo ($336.51 per ounce) against DM 25,275 ($326.60) previously and closed at $337-338 from $327½-328½.

In Paris the 12½ kilo bar was fixed at FFr 68,700 per kilo ($341.31 per ounce) in the afternoon against FFr 68,500 ($340.66) in the morning and FFr 67,000 ($334.07) on Friday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $335.5.

In Zurich gold finished at $336-339 against $326-329.

	April 5		April 2	
Gold Bullion (fine ounce)				
Close	$337¼-338¼	(£190¾-191¼)	$327½-328½	(£183⅛-183⅝)
Opening	$336-337	(£169¼-189¾)	$324½-325½	(£181½-182)
Morning fixing	$336	(£189.169)	$368.60	(£182.254)
Afternoon fixing	$337.50	(£190.700)	$397.75	(£183.101)
Gold Coins				
Krugerrand	$346-347	(£195¾-196¼)	$337¼-338¼	(£188¾-188½)
½ Krugerrand	$178¼-179¼	(£100¾-101¼)	$173¾-174¾	(£97¼-97¾)
¼ Krugerrand	$90¾-91¾	(£51¼-51¾)	$88½-89½	(£40½-50)
1/10 Krugerrand	$37-38	(£21-21½)	$36-37	(£20¼-20¾)
Mapleleaf	$345½-347	(£185½-196¼)	$336½-338	(£188¼-189¼)
New Sovereigns	$81¾-82¼	(£46¼-45½)	$80-80½	(£44¾-45)
King Sovereigns	$101-102	(£57-57½)	$98½-99½	(£55¼-55¾)
Victoria Sovs.	$101-102	(£57-57½)	$98½-90½	(£55¼-55¾)
French 20s	$78-88	(£44-49¾)	$76-86	(£42½-48¼)
50 pesos Mexico	$416-419	(£235¼-237)	$405-409	(£227¼-229)
100 Cor. Austria	$326¾-328¼	(£184¼-185¾)	$318-320½	(£178-179½)
$20 Eagles	$451-456	(£255-258)	$445-450	(£249-252)

MONEY RATES

NEW YORK

Prime rate	16½
Fed. funds (lunch-time)	14¾-15
Treasury bills (13-week)	13.20
Treasury bills (26-week)	12.98

GERMANY

Special Lombard	9.50
Overnight rate	8.50
One month	9.425
Three months	9.35
Six months	9.20

FRANCE

Intervention rate	17.0
Overnight rate	17.0
One month	16.9375
Three months	16.5625
Six months	15.50

JAPAN

Discount rate	5.50
Call (unconditional)	7.28125
Bill discount (three-month)	7.03125

LONDON MONEY RATES

April 5 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8-13¼	13	—	—	13-13¼	11-12¾	—	—	—
2 days notice	—	—	13⅛-13¼	—	—	—	—	—	—	—
7 days or...	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13 13¼	13¼	—	—	13⅛	12¾-12⅞	—	—	—
One month	13⅛-13¼	13¼-13⅜	13¼	14⅛-14	13⅜	13⅛-13⅜	12¾-12⅞	13⅛	13⅛	13⅝
Two months	13⅛ 13⅜	13⅛-13⅜	—	14¼-13⅞	13½	13⅝	12⅝	12⅞-12½	12⅞	13⅛
Three months	13⅛-13⅜	13⅜-13⅝	13⅛	14⅛-13¾	13⅝	13¾	12⅝-12½	12½	12⅝-12½	13⅝
Six months	13⅝ 13½	13⅝-13½	13½	13¼-13	13⅝	—	—	—	12½-12⅜	13¼
Nine months	13⅝-13½	13⅛ 13¾	—	14 13⅝	13⅝	—	—	—	—	—
One year	13⅝-13¼	13⅛-13¾	13⅝	13⅞ 13½	13⅝	—	—	—	—	—
Two years	—	—	13⅞	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 14 per cent; four years 14 per cent; five years 14¼ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12$\frac{17}{32}$-12⅝ per cent; four months trade bills 13½ per cent.

Approximate selling rates for one month Treasury bills 12$\frac{21}{32}$-12$\frac{19}{32}$ per cent; two months 12$\frac{17}{32}$-12½ per cent; three months 12$\frac{17}{32}$-12$\frac{15}{32}$ per cent. Approximate selling rate for one month bank bills 12$\frac{31}{32}$-13 per cent; two months 12¾ per cent and three months 12$\frac{17}{32}$-12$\frac{15}{32}$ per cent; one month trade bills 13¾ per cent; two months 13¾ per cent; three months 13½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from April 1 1982. Clearing Bank Deposit Rates for sums at seven days' notice 10-10¼ per cent. Clearing Bank Rates for lending 13 per cent. Treasury Bills: Average tender rates of discount 12.4717 per cent.

Certificates of Tax Deposit (Series 3) 13½ per cent from March 6. Deposits withdrawn for cash 11 per cent.

WORLD STOCK MARKETS

Wall St mixed at mid-session

STOCKS MOVED higher in early trading on Wall Street, buoyed by institutional demand. But they surrendered part of the gain by mid-session.

Analysts said some traders displayed a reluctance to buy stocks aggressively because of the likelihood of poor first-quarter corporate earnings and speculation that U.S. money supply will post large increases over the next couple of weeks.

Mr Larry Wachtel, of Bache Halsey Stuart Shields Inc, said: "With federal budgetary problem unresolved, people also are hesitant about buying stocks."

The Dow Jones Industrial Average was 1.34 lower at 837.23 at noon. The NYSE All Common Index was off 11 cents at $66.11. Advances narrowly led declines, while volume fell to 27.74m shares, against 37.61m at noon on Friday.

The Falkland Islands dispute between Britain and Argentina did not appear to have much impact on Wall Street. Analysts said investors generally believe the dispute will be resolved before the British armada reaches the islands.

Peoples Energy, the most active stock, edged up ⅛ to $8¾ on 510,900 shares. The bulk of the trading involved a block of 500,000 shares at $8¾.

Less-active Warner Communications dropped a point to $55. Some analysts' predictions on sales of the company's home video game were described as optimistic in an article in Barron's, a business publication.

Teledyne also lost a point to $116½, but Amalgamated Sugar rose 1⅜ to $46½.

Tandycrafts, a possible takeover target at $15 a share, did not trade. It closed at $13½ on Friday.

Tandycrafts said it told Clabir, which owns 30 per cent of the company, that it would support a tender offer for its stock of $15 cash per share. But it said so far there have been no firm proposals.

THE AMERICAN SE Market Value Index was 0.59 lower at 264.27 at noon on reduced volume of 1.9m (2.25m).

Closing prices for North America were not available for this edition.

Canada

Toronto stocks were slightly lower at mid-session with Gold issues the only bright spot.

The Composite Index was off 3.6 at 1,853.9 on trading of 1.58m shares. Declines edged advances 138 to 135. Eleven of the 14 indices fell.

With international Gold prices improving on worries over the Falkland Islands dispute, the Gold Index rose 67.4 to 2,338.6.

Among the gains in the Gold issues, Dome Mines rose ¼ to C$14¾, Campbell Red Lake ½ to C$15¾, Carolin Mines ½ to C$11, and Camflo Mines ½ to C$11.

Irwin Toy, off ½ to C$23⅛, reported year earnings of C$1.75 a share, compared to 82 cents last year.

Tokyo

Share prices closed narrowly mixed in thin trading in the absence of fresh factors, with Blue Chips losing ground on light selling while issues related to Government spending and low-priced stocks were bought.

The Nikkei-Dow Market Average added 11.03 to 7,344.35 on volume of 230m shares, but the Tokyo Stock Exchange index lost 0.13 to 539.56. Steels, Heavy Electric Machine Makers, Shipbuilders, Autos, Light Electricals and Precisions eased on sporadic selling.

But Construction companies, Foods, Textiles, Cement, Non-ferrous Metals and Oils were higher.

Ishikawajima Harima Heavy Industries gained ground in active morning trading, but fell Y4 to close at Y198 on selling by foreign investors. Blue Chips are being sold by foreign investors at high prices, one analyst at Yamaichi Securities Co. said.

Major losers included Toshiba, down Y7 to Y313, Sumitomo Metal Y5 to Y186, Toyota Motor Y19 to Y861, Matsushita Electric Y5 to Y992 and Canon Y14 to Y721.

Sumitomo Metal Mining rose Y22 to Y1,000 and Mitsui Mining and Smelting Y7 to Y239.

The Second Market ended slightly higher.

Australia

Australian political developments were seemingly ignored by the stock market, with prices moving slightly higher in exceptionally quiet trading.

Market observers said the Labour election win in Victoria had been anticipated and any challenge to the Federal Party leadership of Mr Malcolm Fraser on Thursday was thought likely to fail.

The All Ordinaries index was up a point to 461.2. The Industrial index was unmoved at 612.8 while the Resource indicator gained 1.8 to 332.4.

Main interest was in the Jackson partners after news the Jackson South No. 1 Well, to a further test on the target Hutton sandstone, had flowed only water. Claremont was heavily sold, with 310,000 shares done. It fell as low as 57 cents before rising to finish 6 cents down at 64 cents.

Santos, with a 40 per cent holding in Jackson, fell 10 cents to A$3.95 while CSR, which has a 32 per cent interest through Delhi, improved 5 cents to A$3.03. Bond Corporation fell 7 cents to A$1.08 in Sydney and 18 cents to A$1 in Melbourne.

Hong Kong

Hong Kong markets were closed for the Ching Ming Festival.

Germany

Most leading shares closed steadier, although profit-taking pared gains at the end of a quiet session which saw the Commerzbank index rise 3.2 to a 1982 high of 729.8.

Dealers said investors, encouraged by the strong domestic bond market, remain confident about West Germany's economic prospects this year.

Banks led yesterday's advance, with Dresdner closing DM 2.60 higher at DM 164.60 as Deutsche, ahead of results, rose DM 3.50 to DM 285 and Commerzbank DM 3 to DM 155, while Siemens met renewed demand and ended DM 1.80 up at DM 226.50.

In Chemicals BASF rose 0.80 to DM 137 and Hoechst 0.10 to DM 125, but Bayer closed unchanged at DM 127. In barely steady cars VW fell 0.90 to DM 143 with dividend news due later this week.

Metallgesellschaft, which said it cannot rule out a dividend omission on 1981/82 results, fell DM 3.50 to DM 234, while in otherwise little changed Engineerings Deutsche Babcock shed DM 3.30 to DM 207.

In Steels Kloeckner rose 0.60 to DM 68.40, but Thyssen slipped 0.50 to DM 91.50 and Mannesmann DM 1 to DM 152. Kaufhof featured in firm Stores with a gain of DM 5.90 to DM 156.90 and elsewhere Lufthansa added DM 2 to DM 74.50.

Paris

Share prices tended higher in moderately active trading.

Matra, which was quoted for the first time since its suspension last year pending nationalisation negotiations, traded at FFr 1,365, after the previous quote of FFr 1,250.

Last month the French Government proposed raising compensation to FFr 1,800 per share from an original offer of FFr 1,215 in its move eventually to take over 51 per cent of the company's stock.

Banks were particularly strong and in higher Constructions Bouygues gained FFr 12 to FFr 725, but it was down from its opening FFr 733.

Electricals were higher but Engineerings, Financials and Metals were mixed.

NEW YORK

CANADA

Stock	April 2	April 1
AMCA Intl	12	16¾
Abitibi	17⅛	17⅛
Agnico Eagle	7	6⅛
Alcan Alumin	22¾	23
Algoma Steel	34	33¾
Asbestos	13⅛	13⅛
Bk. Montreal	21⅝	22

JAPAN (continued)

April 6	Price Yen	+ or −
Kubota	338	+3
Kumgaai	448	+1
Kyoto Ceramic	3,320	+10
Lion	380	−3
Maeda Cons	603	+3
Makita	740	....
Marubeni	305	+9
Marudai	615	−7

Indices

BELGIUM (continued)

HOLLAND

AUSTRALIA

DENMARK

FRANCE

ITALY

NORWAY

SWEDEN

GERMANY

AUSTRIA

HONG KONG

SINGAPORE

SOUTH AFRICA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

NEW YORK ACTIVE STOCKS

COMMODITIES AND AGRICULTURE

Sterling fall boosts metals

BY JOHN EDWARDS, COMMODITIES EDITOR

NERVOUSNESS about the Falkland Islands conflict, and the easier trend in sterling, brought a modest rise in London metal prices yesterday.

The rise in gold triggered off increases in free market platinum and silver, as well as encouraging an upward trend in base metals. Free market platinum gained just over £10 to £186.85 a troy ounce (the dollar price rose by nearly $15 to $330.5), and the London bullion spot price for silver was raised by 13.7p to 410.7p a troy ounce at the morning fixing.

On the London Metal Exchange, the higher-grade copper cash price closed £9.5 up at £842 a tonne and other metals were all marginally higher.

The rise in copper came in spite of another increase in warehouse stocks, which took total holdings up by 2,700 to 131,375 tonnes—the highest level since December 1979. Aluminium stocks topped the 200,000 tonnes mark for the first time ever, rising by 825 to 200,525 tonnes. Lead stocks reached the highest level since January 1981, rising by 900 to 72,925 tonnes. Zinc stocks were also up by 75 to 62,225 tonnes; so were nickel holdings by 84 to 1,560 tonnes. Tin stocks fell by 290 to 39,410 tonnes, and LME silver holdings were down by 540,000 ounces to 33,180,000 ounces.

Traders said there was believed to be support buying of high-grade tin by the buffer stock of the International Tin Agreement. As a result three months high-grade tin closed £60 up at £7,325 a tonne, while three months standard grade was £30 higher at £7,283.5.

Although Zinc prices closed marginally higher, the market came under renewed pressure when Noranda of Canada, the world's biggest producer, confirmed it was cutting its U.S. domestic selling price for zinc by 2 cents to 37.5 cents a pound for primate western grade. The company also cuts its U.S. lead price by 2 cents to 26 cents a pound.

Significantly, however, Noranda made no mention of its European zinc producer price, which remains at $900 a tonne, in spite of the reductions to $860 a tonne recently announced by three European smelters.

Metallgesellschaft, the West German smelter which led the move to $860 last month, announced yesterday in Frankfurt that it was seeking permission from the cartel authorities of the EEC to be allowed to confer with other producers on the state of the European zinc market.

Karl Gustaf Ratjen, chairman of the group's management board, told a Press conference that the European zinc industry suffered from overcapacity, though most of it was modern and efficient in design.

He said Metallgesellschaft is currently using less than 80 per cent of its zinc refining capacity of over 190,000 tonnes a year.

"Our metal smelters have been hard hit both in terms of volume and price by the weakness of the business cycle in the metal industry," he added.

Mr Ratjen said Metallgesellschaft is importing concentrates from Canada and Australia at relatively high prices, while not being able to pass along the costs in the prices for finished metal.

Since the price of zinc concentrates is determined contractually by the so-called producer price, Metallgesellschaft has cut its producer price in an attempt to achieve a lower level more appropriate to market conditions, he explained.

But because most producers have failed to follow the cut to $860, the producer price, as established by the London magazine Metal Bulletin, has remained at $900.

Mr Ratjen said Metallgesellschaft has no concrete plans to cut production further, because there came a point when output cuts make a smelter less economic.

Mr Ratjen was not optimistic that the EEC would provide direct financial aid. "This industry does not employ enough people to arouse that kind of concern," he commented.

Market bans undersize potatoes

THE DELIVERY of unacceptably small potatoes against contracts on the London potato futures market was banned yesterday at an emergency meeting of the committee of management of the London Potato Futures Association.

The meeting was prompted by rumours that potatoes of unrepresentative size might be tendered on to the market this month. The committee decided to use its emergency powers to adopt two provisions of the Potato Marketing Board's definition of "ware potatoes" as standards to be satisfied by potatoes delivered under the association's contract.

These are that the potatoes should be "a representative sample of the crop" and that they should be "of normal shape and appearance for the variety . . . without removal of a particular size."

Traders failing to satisfy these standards will amount to a default in tendering on the part of the seller.

The decision takes immediate effect with both new contracts and those already made being affected.

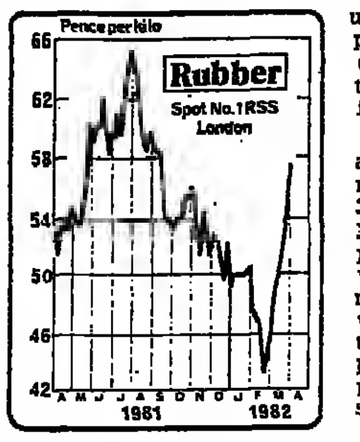
London futures prices have fallen sharply in recent weeks because of reports that small potatoes only just exceeding the association's minimum riddle size and suitable only for manufacturing purposes were to be dumped on the London market. Main cause of concern are the so-called Dutch "industrial" potatoes.

MALAYSIA

More bounce in rubber market

BY WONG SULONG IN KUALA LUMPUR

WILL THE big squeeze on tin early this year hit the rubber market? That is the million dollar question traders in London, New York, Singapore and Malaysia, are asking these days.



In spite of sluggish demand, and the absence of bufferstock buying, rubber has been rising steadily in the market in recent weeks. From March 1, to April 2, Rss 1 for July-September delivery has risen by 7p to reach 57p per kilo on the London market.

Much of the buying appears to originate from Metallgesellschaft, the large West German metal and commodity traders which is believed to have purchased more than 12,000 tonnes of July-September rubber recently.

At this stage, it is too early to tell whether it is merely speculators taking advantage of the situation to make a quick profit, or whether the buying is the start of a sustained attempt by influential producer groups to push up prices.

"Conditions are ripe for a squeeze," said a leading rubber broker in Kuala Lumpur. He pointed out that the overhang in the market has been mopped up by the International Natural Rubber Organisation (Inro).

The Soviet Union has recently re-entered the market, quietly buying large volumes of latex so that there is little latex around in Malaysia for sheet rubber.

Also, February to April are the wintering months when production falls as much as 40 per cent compared with normal months. Chartists therefore expect a bull run in the short term, and it would be attractive for speculators to get in at this stage.

On the other hand, some traders point out that Metallgesellschaft has a reputation for conservatism, and would not be buying so aggressively if not supported by influential clients.

After what happened in the tin market, brokers are more ready to believe that recent buying on the market has been on behalf of producer countries, particularly Malaysia.

It is well known that natural rubber producing countries had been disappointed with the outcome of last month's Inro meeting. Their demand for an upward revision of the Inro price range was rejected by consuming countries. So was their pressure for Inro to buy forward rubber.

"When we signed the Inro agreement three years ago, natural rubber was hitting 350 Malaysian cents per kilo. Nobody then could imagine prices at the current low. So we agreed on a 150c to 270c range in the belief that prices would remain firm so that getting an upward revision of the price range would not be a problem," said a senior Malaysian Government official.

He added: "The purpose of Inro is to stabilise prices at prices remunerative to producers and fair to consumers. But current prices could hardly be described as remunerative."

The rubber price for the first quarter of 1980 averaged 343c per kilo.

It fell to 297c during the same period in 1981, and as the economic malaise in the Western world persisted, rubber prices continued sliding to around 200c for the first quarter of this year.

This represented a drop of more than 40 per cent in two years, for rubber prices expressed in a stable Ringgit.

Many of the small rubber farmers would have voiced their plight in the streets, as in 1974, if not for the remittances from their sons and daughters working in the towns.

The Inro buying operations have been widely criticised by producing countries and by brokers, as ineffective.

Inro had made three call-ups for nearly 500 Ringgit in cash from members in October, December and this month, and has so far bought up 120,000 tonnes of rubber to support the price above 179 Malaysia/Singapore cents per kilo.

When it started buying last November, it went in for the lower grades and bought in New York and Europe. This had the effect of pulling up the lower grades, without influencing Rss 1, the hedging grade, which continued to slide further.

Most brokers in Kuala Lumpur feel that Inro could have done far better, with less money, if it had been less conservative and so predictable with its buying orders.

Inro officials, in defence, pointed out the organisation was not in the speculation business. Its role was to keep rubber within its price range, and to stabilise all grades of rubber, not just RSS 1.

If Malaysia is buying rubber at this stage, it makes a lot of sense. Dr Mahathir Mohamed, the Prime Minister, is seeking a personal mandate in the general elections on April 22, fully aware of rumblings in the rural-Malay community over poor commodity prices. If the government can push rubber prices up by 30 or 40 (it is currently around 210 per kilo), it would certainly impress the electorate.

EEC faces new sugar protest

CANBERRA — Australia has joined nine other sugar exporting countries in lodging under the General Agreement on Tariffs and Trade (GATT) a comprehensive new complaint against the European Community's sugar export subsidies, reports AP-Dow Jones.

Mr Douglas Anthony, Deputy Prime Minister, said the move followed the EEC's refusal to accept or to discuss further the Gatt's findings last year that its sugar export subsidies had caused serious prejudice to Australia's exports of sugar and constituted a continuing threat of prejudice to world sugar trade.

The nine other complainants are Argentina, Brazil, Colombia, Cuba, the Dominican Republic, India, Nicaragua, Peru and the Philippines.

While it had been asserting its innocence in the Gatt, the EEC's share of the world market increased under subsidy to over 16 per cent, Mr Anthony said. This was almost double the EEC share before the introduction of export subsidies in the mid-1970s, he added.

The EEC had exploited every procedural device and technicality to frustrate the Gatt's dispute settlement procedures to the point where its actions must call into question the very integrity of those procedures, he complained.

He said the new action by the 10 sugar exporters was more pointed and wide-ranging and offered less scope for EEC frustration.

Last week the Gatt Council announced that it would allow no further discussion of the original charges made by Australia and Brazil that the EEC unfairly subsidised sugar exports. It said the two countries were harping on old complaints without taking into account the new Common Market sugar regime, under which export subsidies are financed out of levies on producers.

London trade house Woodhouse, Drake and Carey has raised its estimate of the world 1981-82 sugar surplus to 3.38m tonnes from the 2.78m it initially estimated last September. World sugar output is now put at 94.16m tonnes and world consumption at 90.78m.

The overall surplus would be around 1m tonnes, once EEC stockpiling, commercial stocks and special stock build-ups were allowed for, it said.

The company noted the basic export tonnages under the International Sugar Agreement had been set at 19.44m tonnes raw value and at 85 per cent of BETs, the effective quota total would be 16,524,000 tonnes.

Improved Haiti coffee output hopes

By Canute James recently in Port au Prince, Haiti

EXPORTS of Haitian coffee, the strongest leg of the country's weak economy, are expected to improve this year following a poor performance in last year. According to official figures released in Port au Prince, exports last year fell to 244,576 bags (of 60 kilos each) from 411,480 bags in 1979.

The fall in exports was caused by a hurricane in the summer of 1980 which flattened plants and destroyed berries. Consequently Haiti's earnings from coffee exports, which totalled $89m in 1980, fell to $33m last year.

Weather delays Soviet sowing

MOSCOW—Spring has begun a month late in the key grain-growing area of Stavropol in southern Russia, causing delays in the planting of this year's crop, according to the Soviet communist party newspaper Pravda, reports Reuter.

It said soil preparation and sowing work is now underway in the black earth zone around Stavropol and farmers are working into the night to make up for lost time.

The agricultural daily Selskaya Zhizn (Rural Life) reported that sowing has also begun in most of the Ukraine, where about one-fifth of the entire Soviet crop is produced.

The newspaper described the condition of winter grain plants in Moldavia, the Ukraine and the Caucasus as "good or satisfactory."

But below-average temperatures are causing disruption to the farming timetable in the Caucasus and holding up the planting of the cotton crop in Central Asia, it added.

Meanwhile, in a speech to Communist officials in Alma-Ata the party chief of Kazakhstan angrily denounced the performance of the republic's farmers and said they had failed to meet important plan targets in 1981. Kazakhstan is the second largest Soviet republic and one of the country's main agricultural regions.

Mr Dinmukhamed Kunayev, who is also a member of the Soviet Politburo, said output of grain, milk and meat has been well below target in many areas of the republic and complained that there is no sign of any improvement this year.

He said cattle stocks are diminishing because of cattle plague and illegal slaughtering and that average animal weights are far too low. Sheep are also suffering, largely because much of the land put aside for pasturing is completely barren, Mr Kunayev said. His speech was published in the regional daily Kazakhstanskaya Pravda.

Canadian farmers plan to sow a record wheat acreage this year in spite of weak prices and rising world stocks, AP-Dow Jones reports from Ottawa.

Fall in Brazilian soya crop seen

WASHINGTON—Brazil's soyabean crop this year is now estimated at 13.5m tonnes, down from earlier forecasts of 14.2m and last year's revised output of 15.2m tonnes, the U.S. Agriculture Departments officer in Sao Paulo said in a field report.

The report said most crop observers have reduced their estimates by at least 500,000 tonnes from last month, with estimates now ranging from 13 to 14.1m tonnes and most around 13.5 to 14m tonnes.

It said domestic crushings for the 1982/83 season are projected at 12.4 tonnes compared to the 13.9m in the 1981/82 season, while soybean exports are put at 1.2m tonnes against 1.43m. Reuter

BRITISH COMMODITY MARKETS

BASE METALS

THE WEAKNESS OF STERLING, following the Falkland Islands crisis, prompted gains in metal prices on the London Metal Exchange. COPPER touched £870 and closed at £868.5, while LEAD was finally £334. ZINC gave ground on speculative selling and the price cut by Noranda to close at £413.5. ALUMINIUM closed at £581 and NICKEL at £3135. Rumoured Buffer Stock purchases of three month high grade TIN lifted that quotation to £7325, with three months standard finally £7280.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
HighGrde				
Cash	857-.5	+9	841.5-2	+9.5
3 months	866.5-8	+7.5	869.5-70	+10
Settlem't	857.5	+9		
Cathodes				
Cash	839.5-3.5	+7.5	837.5-9	+8.5
3 months	860.5-1	+9	855.5	+10.5
Settlem't	833.5	+7.5		
U.S. Prod.	—		*74-9	

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £857.50, 57.00, three months £866.50, 66.00, 64.50, 65.00, 65.50, 66.00, 64.50. Kerb: Higher Grade, three months £866.00, 65.50, 66.00, 66.50, 67.00. Afternoon: Higher Grade, three months £867.50, 68.00, 68.50, 69.00, 67.50, 68.00, 70.00, 69.50, 69.00, 69.50. Kerb: Higher Grade, three months £869.50, 69.00, 68.50, 68.00, 68.50. Turnover: 23,650 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	310-.5	+3	323.5-4.5	+5.75
3 months	330-.5	+3.5	334.25-.5	+5.5
Settlem't	310.5	+3		
U.S. Spot	—		*27-32	

Lead—Morning: Cash £319.50, three months £330.00, 30.50, 30.00, 29.50, 29.00, 29.50, 30.00. Kerb: Three months [illegible].

Aluminium—Morning: Three months £576.0, 75.00, 76.00, 77.00, 76.50. Kerb: Three months £577.00, 78.00. Afternoon: Cash £560.00, three months £580.00, 80.50, 81.00, 82.00, 81.00, 81.50, 82.00, 91.00, 80.50. Kerb: Three months £580.00, 81.00. Turnover: 5,075 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
High Grade				
Cash	7055-60	-5	7070-80	+37.5
3 months	7320-5	+28	7320-30	+59
Settlem't	7040-5			
Standard				
Cash	7055-40	-5	7070-80	+37.5
3 months	7250-5	+5	7280-5	+39
Settlem't	7040	-5		
Straits E.	£29.68			
New York	—			

Tin—Morning: Standard, cash £7040, three months £7260, 50. High Grade, three months £7280. Kerb: Standard, three months £7250. Afternoon: Standard: Cash £7260, three months £7280, 85, 80, 75, 80. High Grade: three months £7290, 7210, 20, 30, 20. Kerb: Standard, cash £7065, three months £7280, 85, 80, 70, 60. High Grade: three months £7320. Turnover: 1,565 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	$080-5	+75	3100-10	+45
3 months	$115-20	+74.5	$140-5	+50

Nickel—Morning: Three months £3,105, 30, 25, 20. Afternoon: Three months £3135, 30, 35, 40. Kerb: Three months £3140. Turnover: 420 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	410.25	+.25	411.5	+.75
3 months	414.5-5	+.5	415.5-.75	+.875
Sment	410.25	+.25		
Primwsts	—		*37-8.75	

Zinc—Morning: Cash £411.00, 10.50, 10.00, three months £418.00, 18.00, 17.50, 17.00, 16.00, 15.00. Kerb: Three months £416.00, 15.00, 15.50. Afternoon: Three months £415.00, 15.50, 17.50, 17.00, 16.50, 17.00, 18.00, 14.00, 13.00, 13.00, 13.50. Turnover: 7,900 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	555.5-6	+5.3	559-60	+6.75
3 months	576.5-7	+6	580-.5	+6.5

SILVER

Silver was fixed 13.7p an ounce higher for spot delivery in the London bullion market yesterday at 410.7. U.S. cent equivalents of the fixing levels were: spot 728c, up 17c; three-month 754.3c, up 15.8c; six-month 779.8c, up 17.2c; and 12-month 834.3c, up 17.2c. The metal opened at 412-415p (732-737c) and closed at 411-414p (728-733c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	410.70p	+15.7	408.5p	+2.5
3 months	423.30p	+15.4	421.75p	+0
6 months	435.70p	+15.8	—	......
12months	463.70p	+14.4	—	......

LME—Turnover 72 (55) lots of 10,000 ozs. Morning: three months 424.0, 24.0, 23.8, 24.0. Kerb: three months 424.5. Afternoon: three months 425.0, 22.0. Kerb: three month 423.0.

COCOA

Weaker sterling induced some short-covering by commission and trade houses particularly in the near positions. Actuals business remained scarce, reports Gill and Duffus.

COCOA	Yest'rday's Close	+ or —	Business Done
April	075-90	+3.5	—
May	094-06	+6.6	1003-990
July	1028-30	+7.5	1032-20
Sept	1055-56	+4.0	1061-50
Dec	1087-88	+5.5	1094-85
March	1115-16	+3.0	1121-16
May	1134-35	+5.5	1136-36
July	1148-49	+6.5	1156-50

Sales: 1,344 (1,392) lots of 100 tonnes.

ICCO—Daily price fob April 5: 79.97 (79.79). Indicator price for April 6: 79.67 (79.82).

COFFEE

Continued strength in nearby May emerged as the dominant feature during a steady opening, reports Drexel Burnham Lambert. After prices had drifted a firmer "C" market fuelled a fresh rally. Roaster enquiries were reported but origin offers were generally too high.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1260-63	+32.0	1267-41
July	1190-91	+16.0	1196-80
Sept	1156-57	+4.0	1157-50
Nov	1148-50	+8.0	1154-37
January	1143-45	+7.5	1147-35
March	1115-40	—2.5	—
May	1110-45	—2.5	—

Sales 3,611 (3,523) lots of 5 tonnes.

ICO Indicator prices for April 2 (U.S. cents per pound): Comp. daily 1979 125.05 (124.45); 15-day average 124.37 (124.99).

GAS OIL FUTURES

After opening strongly, the market rallied further in good volume on nervousness about Saudi crude moves and political tension elsewhere. Prices eased back on U.S. commission house selling before steadying again to make new highs on the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
April	279.00	+12.00	279.00-65.00
May	275.50	+15.50	277.00-64.50
June	276.50	+16.75	277.25-64.00
July	278.00	+18.00	278.50-66.00
August	281.50	+17.50	281.50-68.00
Sept	287.00	+19.50	288.00-76.00
Oct	288.00	+19.50	287.75-81.00
Nov	289.00	+18.50	285.00-81.25
Dec	291.00	+15.00	—

Turnover: 4,651 (1,838) lots of 100 tonnes.

GRAINS

The market opened slightly higher. Barley new crops traded easier due to profit-taking, while old crops received most attention, wheat finding keen commercial and shipper interest, reports Acli.

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
May	117.00	+0.40	110.95	+0.70
July	180.50	+0.45	—	—
Sept	107.56	—0.05	103.25	—0.19
Nov	111.05	......	106.80	—0.20
Jan	115.00	—0.05	110.85	—0.25
Mar	112.65	—0.10	114.30	—0.19

Business done—Wheat: May 117.00-116.55, July 120.50-120.00, Sept 107.40-107.35, Nov 111.05-111.00, Jan 115.00 only, March 118.70-119.66. Sales: 209 lots of 100 tonnes. Barley: May 111.00-110.25, Sept 103.30-103.20, Nov 106.95-106.80, Jan no trades, March no trades. Sales: 63 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent April/May 15 115.50, May 116, June 114.50 transhipment East Coast seller. English Feed fob April/May 16 120, Oct/Dec 114.50 East Coast seller. Maize: French first half April 133.50 transhipment East Coast seller. Barley: English Feed fob April 113, Sept 106.50 sellers East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: E. Mids 115.00. Feed barley: Eastern 108.00, E. Mids 107.80, N. East 108.00, Scotland 109.60. The UK Monetary Coefficient for the week beginning Monday April 12 (based on HGCA calculations using four days exchange rates) is expected to remain unchanged.

RUBBER

The London physical market opened unchanged, attracted little interest through the day and closed easier. Lewis and Peat recorded an April fob price for No. 1 RSS in Kuala Lumpur of 206.0 (207.0) cents a kg and SMR 20 181.0 (181.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
May	58.80-59.50	57.80-58.60	—
June	57.50-59.50	58.10-60.50	—
Jly-Sept	58.00-59.20	58.70-59.80	60.30-59.15
Oct-Dec	58.70-59.10	58.70-59.80	60.30-59.25
Jan-Mar	58.80-60.00	51.20-61.50	60.50-60.00
Apl-Jne	61.20-61.70	62.60-62.70	—
Jly-Sept	62.80-62.90	65.80-64.50	62.60
Oct-Dec	64.20-64.40	65.10-65.50	—
J'n-Mch	65.50-66.50	66.30-66.70	—

Sales: 317 (155) lots of 15 tonnes, nil (same) lots of 5 tonnes.

Physical closing prices (buyers) were Spot 57.50p (same); May 54.25p (54.00p); June 54.25p (54.75p).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 375, 381, 380-379; Aug 397, 398, nil; Oct 401, 404, 401-400; Dec 403, 405, 403-402; Jan 402, 405, 403; Mar 412, 413, 413; May 422, 425, 424-423; Aug 434, 437, 435; Oct 435, 438, 436. Sales: 54.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 542.0, 542.5, 543.0-542.5; July 542.0, 542.5, 542.5-540.0; Oct 525.0, 525.3, 525.5-524.0; Dec 528.0, 528.5, 528.5-528.0; Mar 532.5, 532.5, 533.0-532.5; May 534.0, 538.0, 535.0-534.0; July 544.0, 546.0, 545.5-544.0; Oct 538.0, 542.0, untraded. Sales: 171.

SOYABEAN MEAL

The market opened stronger on weaker sterling and short-covering, reports T.G. Roddick. Prices remained firm throughout day with trade and technical buying.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
April	—	—	—
June	135.50-35.0	+5.25	135.50-32.20
August	135.70-35.9	+5.50	134.50
October	138.70-37.0	+3.50	135.50
Dec	138.20-38.5	+5.60	135.80-37.80
Feb	141.50-42.5	+4.00	—
April	140.50-44.5	+2.75	—

Sales: 306 (136) lots of 10 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £149.00 (£147.00) a tonne cif April-May shipment. White sugar daily price £172.00 (£168.00).

Fears that exports of Argentine sugar might be impeded caused some short-covering. The highs were shortlived and quotations began to ease, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
May	152.80-52.95	153.95-54.25	158.95-52.90
Aug	156.00-56.20	156.85-56.95	159.75-55.75
Oct	160.60-60.75	161.85-61.90	164.25-60.50
Jan	165.00-65.75	164.75-65.00	—
March	170.00-70.95	170.95-71.00	175.25-69.75
May	172.50-75.50	175.50-74.00	175.80-74.50
Aug	176.00-76.50	175.25-77.00	—

Sales: 2,389 (2,727) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £374.00 (same) a tonne fob for home trade and £258.00 (£255.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for April 2: Daily price 10.63 (10.78): 15-day average 10.93 (10.95).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 250 tonnes. Renewed interest was shown in various qualities. Overall demand centred on African and South and Central American growths, but Middle Eastern styles were not neglected.

JUTE

JUTE—C and F Dundee BWC £287, BWD £238, BTB £329, BTC £290, BTD £241; Antwerp c and f BWC £289, BWD £241, BTB £331, BTC £291, BTD £243; c and f Dundee April 40 in 10 oz £11.34, 40 in $7\frac{1}{2}$ oz £8.81; B Twills £35.35.

TEA AUCTION

LONDON TEA AUCTIONS—34,987 chests were on offer at yesterday's auction. There were less general demand. Best Assam's remained about steady as others declined by 1-2p per kilo. Bangladesh teas were also 2-3p lower. The brightest East Africans sold well at firm to dearer rates; mediums showed little change but plainer sorts proved irregular and tended easier. The small selection of Ceylon tea met good support at dearer rates. Quotations: quality 119p per kg (118p), medium 109p per kg (108p), plain no quotation (no quotation).

POTATOES

LONDON POTATO FUTURES—April opened £1.00 down, but quickly found support to reach the high before easing back on profit-taking. November and February continued their recent fall, reports Coley and Harper. Closing prices: April 122.20, +2.20 (high 125.00, low 119.00); Nov 63.50, −1.50 (high 84.00, low 63.50); Feb 73.80, −1.30 (high 74.50, low 73.50). Turnover: 522 (772) lots of 40 tonnes.

PRICE CHANGES

In tonnes unless otherwise stated.

	Apr. 5 1982	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$980.1015	......	$1955/065
Copper			
Cash h grade	£842	+8.5	£821.5
3 mths	£869.75	+10	£849.75
Cash Cathode	£939.25	+8.5	£820
3 mths	£855.25	+10.5	£848
Gold troy oz	$337.75	+9.75	$326.5
Lead Cash	£325	+5.75	£329.5
3 mths	£334.575	+5.125	£369.5
Nickel	£3925	......	£3824
Free mkt	245/275c	......	280/290c
Platin'mtr oz'y	£260	......	£860
Freemkt	£186.85	+19.05	£172.80
Quicksilvert	$375/385	—5	$390/400
Silver troy oz	410.70p	+15.7	401.30p
3 mths	425.50p	+15.4	414.25p
Tin Cash	£7075	+67.5	£7055
3 mths	£7282.5	+30	£7565
Tungsten22.04lb	$180.58	—4.54	$150.00
Wolfrm 22.04lbs	$105/108	......	$117/122
Zinc Cash	£411.25	+0.75	£444.5
3 mths	£415.625	+0.875	£448.5
Producers	$860/900	......	$900
Oils			
Coconut (Phil)	$517.5y	......	$482.5
Groundnut	‡	......	$650
Linseed Crude	‡	......	‡
Palm Malayan	$607.5x	......	$507.5
Seeds			
Copra Phllio	$335y	......	$330
Soyabean (U.S.)	$271	......	$255
Grains			
BarleyFut. Sep	£103.25	—0.19	£110.75
Maize	£155.5	......	£131.5
Wheat Fut.July	£120.50	+0.45	£115.85
No.2HardWint	‡	......	£116.50
Other commodities			
Cocoa ship't*	£1006	+6	£1186
Future May	£995	+5.5	£1160.5
Coffee Ft' July	£1190.5	+16	£1553.5
Cotton A.Index	70.95c	......	70.05c
Gas Oil May	$276.5	+15.5	$235.25
Rubber (kilo)	57.5p	......	48.5p
Sugar (Raw)	£149y	+2	£152
Woolt'ps 64s kl.	393p kilo	......	380pkilo

‡ Unquoted. x May. y April-May. u May-June. † Per 76 lb flask. * Ghana cocoa. n Nominal. § Seller.

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £4.50-£5.90; large haddocks £5.50-£5.80; medium £4.40-£4.60; small £3.00-£3.60; large plaice £4.20-£4.30; best small £3.60-£4.60; skinned dogfish (medium) £9.00-£12.00; lemon soles (large) £11.00, (medium) £9.00; rockfish £1.60-£2.50; saithe £2.50-£3.00.

MEAT/VEGETABLES

MEAT COMMISSION: Average fatstock prices at representative markets. GB—Cattle 103.58p per kg lw (+0.83). UK—Sheep 225.02p per kg est dcw (+0.67). GB—Pigs 75.73p per kg lw (−1.87).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 85.0 to 88.5. Veal: Dutch hinds and ends 123.5-128.0. Lamb: English small 84.0 to 95.0, medium 88.0 to 95.0. Imported—New Zealand PL 88.0-87.5, PM 85.0 to 87.0, YLs 85.0 to 88.0. Pork: English, under 100 lb 38.0 to 56.0, 100-120 lb 46.0 to 54.0, 120-160 lb 46.0 to 52.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Spanish: [illegible]

4.50-5.00. Grapefruit—U.S.: 16/17-kg Texas Ruby 6.00-7.00. Florida Ruby 7.50-9.50. Cyprus: Large cartons 20-kg [illegible]

5.50. Seriphs 5.50. Saiba 5.50. New Cross 5.80. Golden Hill 5.00. Sultana 7.50. Chilean: 5-kg Thompson 5.80-6.00.

English Produce: Potatoes—Per 55-lb. White 3.50-4.00. Red 3.60-4.00. King Edwards 3.60-4.30. Mushrooms—Per lb. open 0.50-0.60, closed 0.60-0.80. Apples—Per lb. Bramley 0.20-0.30. Cox's 0.25-0.40. Pears—Per lb. Conference 0.15-0.25. Cabbages—Per 30-lb bag. Celery/Jan King 2.50-3.50. Savoys—Per 30-lb 2.50-3.00. Lettuce—Per 12 round 1.20-1.50. Onions—Per 55-lb 40/80mm 1.00-3.00. Carrots—Per 28-lb. lb 2.00-2.20. Beetroot—Per 28-lb. round 1.00-1.20. long 1.20. Swedes—Per net 0.90-1.20. Rhubarb—Per lb. outdoor 0.10-0.12. Leeks—Per 10-lb 1.20-1.40. Parsnips—Per 28/28-lb 1.00-1.40. Turnips—Per 28/26-lb 1.00-1.40. Cucumbers—Per pack 2.40-3.00. Sprouts—Per 30-lb Kent 4.00. Tomatoes—Per lb 0.26-0.55-0.60. Cauliflowers—Per 18/24 Kent 4.00-4.50.

Fall in Ghana cocoa crop expected

ACCRA—Cocoa traders here say the 1981-82 Ghana crop is likely to be around 220,000 tonnes, down on around last year's 255,000 tonnes, and continuing the downtrend of the past 10 years.

They said the so-called cocoa evacuation exercise launched in January with a student task force was a success, allowing Ghana to meet all commitments early rather than late.

The traders noted this factor was having a negative effect on premium value over terminal.

Another important factor is the serious decline in quality which they attributed to the recent mixing-up of new crop with crops as late as the 1979-80 collected by the task force and shipped abroad, in particular to Amsterdam.

They said the evacuation exercise managed to bring down to ports both by road and rail some 110,000 tonnes of cocoa, covering crops since the 1979 season.

"Some of the stuff was so rotten that it was mash. Unhappily some of that stuff was shipped which is contributing to giving Ghana cocoa a bad name abroad," one cocoa trader said.

The traders agreed that the new Ghanaian regime, faced with an awesome economic situation, could not afford court cases and agreements had been reached very quickly to either indemnify purchasers of poor quality or pledge to substitute shipments with new crop tonnages.

They declined to say what tonnage of poor quality was involved, but said just under 100,000 tonnes of cocoa were shipped by Ghana during the 1982 first quarter.

EUROPEAN MARKETS

PARIS, April 5

COCOA—(FFr per 100 kilos): May 1121-1134, July 1145-1165, Sept. 1180-1210, Dec. 1215-1224, March 1270-1280, May 1290-1310, July 1310-1330. Sales at call: nil.

SUGAR—(FFr per tonne): May 1873-1879, July 1875-1890, Aug. 1972-1974, Oct. 1845-1855, Nov. 1845-1855, Dec. 1870-1875, March 1940-1945, May 1980-1990. Sales at call: nil.

ROTTERDAM, April 5

Wheat—(U.S. $ per tonne): U.S. Two Dark Hard Winter 13.5 per cent April 204. U.S. No two Red Winter April 163.50. U.S. No Three Amber Durum May 181, June 180, July 182, Aug 184, Sept 197. U.S. No Two Northern Spring 14 per cent May 186, June 184.50, July 184.50, Aug 184.50.

Maize—(U.S. $ per tonne): U.S. No Three yellow afloat 132, April 131.50, May 131, June 131, July/Sept 131, Oct/Dec 134 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports April 265, May 262, June 263.50, July 264.50, Aug 265.50, Sept 268, Oct 263.50, Nov 262.50, Dec 266.50, Jan 271.50, Feb 276, Mar 279.50 sellers. Argentine June and July 263 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent protein U.S. including 255, afloat 251 to 239 (depending on position), April 231, May 225.50, April/Sept 229.50, Nov/Mar 241.50 sellers. Brazil Pellets afloat 250 to 247.50, April 240, May 240, April/Sept 241.50, May/Sept 241.50 sellers.

INDICES

FINANCIAL TIMES

April 2	April 1	Month ago	Year ago
242.69	242.49	245.80	261.70

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	April 2	April 1	Month ago	Year ago
Spot	124.41	125.50	124.71	417.45
Fut's	129.95	128.60	129.99	425.17

(Base: Dec 31 1974=100)

MOODY'S

April 2	April 1	Month ago	Year ago
988.2	982.9	999.4	1125.5

(December 31, 1931=100)

REUTERS

April 2	April 1	M'nth ago	Year ago
1607.3	1596.0	1583.7	1705.7

(Base: September 18, 1931=100)

COMPANY NOTICE

GENERAL MINING UNION CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

ANNUAL GENERAL MEETING

The Annual General Meeting of the above company will be held in the board room, Ground Floor, Union Corporation Building, 74-78 Marshall Street, Johannesburg, on Thursday 6 May 1982 at 10 a.m.

GENERAL MINING UNION CORPORATION (U.K.) LIMITED
London Secretaries
L. J. GAINES

30 Ely Place, London EC1N 6UA.
6 April, 1982.

ART GALLERIES

BROWSE & DARBY, 19, Cork St., W1. [illegible]

DAVID CARRITT LTD., 15, Duke Street, St. James's, SW1. INDIAN PAINTING [illegible]

FIELDBORNE GALLERIES, [illegible]

LEFEVRE GALLERY, 30, Bruton St., W1. [illegible]

RICHARD GREEN GALLERY, 4, New Bond St., W1. [illegible]

SANDFORD GALLERY, 1, Mercer Street, W.C. [illegible]

WHITECHAPEL ART GALLERY, Whitechapel High St. E1. [illegible]

MARTYN GREGORY GALLERY, [illegible]

NICOLA JACOBS GALLERY, 9, Cork Street, London, W1. [illegible]

THE PARKER GALLERY, 2, Albemarle St., Piccadilly, W1. [illegible]

PUBLIC NOTICES

SUFFOLK COUNTY COUNCIL
£5,000,000 Bills issued on 5.4.82 at a rate of [illegible] to mature on 5.7.82. Total applications were £42,000,000 and there are £15,000,000 Bills outstanding.

METROPOLITAN BOROUGH OF KNOWSLEY
£1,000,000 Bills issued 5th April 1982 at [illegible] maturing 5th July 1982. Total applications [illegible]

DUDLEY METROPOLITAN BOROUGH
£3,000,000 Bills issued [illegible] There are £9,000,000 Bills outstanding.

DEVON COUNTY COUNCIL
[illegible]

APPOINTMENTS

Managing director for Vickers Furniture

VICKERS has appointed Mr Bob Denton as managing director of Vickers Furniture UK, part of the international Vickers business equipment division. He was general manager.

★

Mr M. Reiss has been appointed a director of DEVITT (AVIATION), part of the Devitt Group.

★

Mr Mark A. Balfour, former chairman of Balfour Darwins, has joined the board of ARROW SECURITY SYSTEMS as deputy chairman.

★

Mr William Norris has been appointed works director of HOLDEN AND BROOKE. He succeeds Mr Tom Kennedy, who is retiring.

★

Mr R. A. Pargeter has been appointed a director of CHEMRITE (INTERNATIONAL) (PTY), an international chemical trading company in the Chemrite Group. Mr Pargeter is the president of the FECC (The Federation of European Chemical Trade Associations) and was a founder of K. K. Greeff Chemicals. Mr Pargeter will be operating from England in liaison with the Chemrite (International) Companies in South Africa and the U.S.

★

Mr Christopher de Kretser and Mr John Pulford have been appointed to the board of NESCO INVESTMENTS. Mr de Kretser is chairman and managing director of Nigerian Electricity Supply Corporation (Nigeria) and Mr Pulford is managing director of Colmore Investments, both subsidiaries of Nesco.

★

Mr P. R. Lenel has been appointed a director of McKECHNIE CHEMICALS. He joined McKechnie Chemicals on March 1 as general manager. Mr I. G. Scott has been appointed a director of McKECHNIE METAL POWDERS. He is responsible for all sales of atomised and electrolytic copper powders. Mr B. J. Wilson has been appointed sales director of FREDERICK W. EVANS. He is responsible for sales of both thermoset and thermoplastic mouldings. All companies are subsidiaries of McKechnie Brothers.

★

JEBSENS DRILLING has appointed Dr Jack Birks, a group managing director of the British Petroleum Co. as a non-executive director from May 1, after his retirement from BP.

★

Mr E. W. Duffin, Mr S. E. D. Morton, Mr V. A. Prust and Mr S. J. Todd have been appointed managing directors of ALEXANDER HOWDEN. Miss E. A. Law, Mr A. F. Norman and Mr R. D. Wilkinson have been appointed directors.

★

CENTURYAN SECURITY has appointed Mr Peter Tilzey as director for sales and marketing.

★

Mr John Stewart Hodgett has been appointed a director of HINTON HILL MARINE, a subsidiary of The Hinton Hill Group.

★

Mr Yossi Barath has been appointed managing director of ELBIT DATA SYSTEMS replacing Mr Arthur Kennedy who has left the company to pursue other business interests. Mr Barath was product manager, commercial products, at the company's headquarters in Haifa, Israel.

★

R. P. ADAM has made the following appointments: Mr Robin Leith and Mr Martin Earl have been appointed directors. Mr Jim Brady, sales manager of R. P. Adam Chemicals (Ireland), has become director and general manager of that company. Mrs Dorothy Young has been made company secretary.

★

Mr Fredy M. Dellis has become vice-president and general manager rent a car, HERTZ EUROPE. He was divisional vice-president of operations.

★

Lord Shuttleworth, a director of BURNLEY BUILDING SOCIETY, has been appointed vice-chairman.

★

Mr B. A. A. Ledger has been appointed a director of the PHOENIX TIMBER CO.

★

Mr Derek Hollows, creative services director at Glaxo Operations UK, has joined DRAGON MEDICAL AND SCIENTIFIC COMMUNICATIONS as an account director.

★

At WEDD DURLACHER MORDAUNT & CO, stock jobbers, on April 30, Mr D. G. R. Oldham, Mr B. E. Crutchley, Mr D. A. J. Mordaunt and Mr J. Gidden will be leaving the partnership. Mr J. L. Cox, Mr H. L. Hughes and Mr J. Lowe will be joining the partnership from May 1.

★

Mr Leslie Randall has been appointed a director of USHER-WALKER.

★

Mr Preston Rabl will be joining the partnership of HENDERSON CROSTHWAITE AND CO, stockbrokers, on April 30.

★

At COOPERS AND LYBRAND the following changes take effect this month: retiring: Mr Stanley Middleton (Newcastle); admitted to partnership: Mr Kevin Gilbert and Mr Richard Savours (London), Mr Anthony Thomas and Mr Robert Lewis (Bristol), Mr Christopher Kean (Southampton), Mr Russell Powis and Mr Stephen Hughes (Cardiff) and Mr Christopher Hughes (Cork Gully); appointed management consultant directors: Mr Paul Batchelor and Mr Paul Meins.

★

NATIONAL EMPLOYERS LIFE has appointed Mr Stuart Chambers as assistant general manager (marketing) with responsibility for the marketing and agency divisions of the NEL Group. Mr Bryn Jones becomes assistant general manager (pensions) and Mr Gordon Webster, manager of NEL permanent health insurances, also becomes an assistant general manager in the NEL Group.

★

Mr M. M. Bull has been appointed to board of WOODHOUSE & RIXSON (HOLDINGS).

★

Mr David Innes Williams has been appointed chairman of the council of the IMPERIAL CANCER RESEARCH FUND in succession to Professor Sir Eric Scowen.

★

STANDARD CHARTERED MERCHANT BANK has appointed Mr Anthony P. Brown, Mr David W. H. Farmer, Mr Thomas Pomeroy and Mr Michael J. Richardson as senior assistant directors and Mr Robert C. F. Randall as an assistant director.

★

Mr E. P. Coupe, at present property secretary of SCOTTISH PROVIDENT, is to be property investment manager from June 1. Mr D. G. Anderson, an inspector at Croydon branch, has been appointed assistant manager at London City branch. Mr T. K. Brown, investment secretary, will retire on May 31.

★

Mr J. B. Haggas is to retire from the board of DAWSON INTERNATIONAL on April 30. Mr B. A. B. Miller will become deputy chairman from May 1.

★

Sir Richard Denby has been elected as president of BRADFORD AND BINGLEY BUILDING SOCIETY. He is senior partner of A. V. Hammond and Co., solicitors, Bradford, and is currently chairman of Parkland Textile (Holdings). Mr J. P. Knight, who Sir Richard succeeds as president, will remain on the board.

★

Mr J. Reeve and Mr G. Thomas have been appointed to the board of SELLECK NICHOLLS WILLIAMS (E.C.C.), building division subsidiary of English China Clays.

★

Mr Frank V. Hayhurst has been appointed ITT director of auditing for Europe, Africa and the Middle East. He succeeds Mr I. Frazer Ross, who will be staying on temporarily to assist during the transition before retiring.

★

Mr Roy Mason, general manager of MIDLAND BRIGHT DRAWN STEEL, has been appointed a director.

★

Mr John Biffen, Trade Secretary, has appointed Mr R. E. Lake, general manager, British and European Reinsurance Company, Mr T. Roberts, general manager UK, General Accident Fire and Life Corporation and Mr R. Segal, managing director, Albany Life Assurance Company, to be members of this panel of insurance advisers. In addition, he has re-appointed two members of the panel: Mrs M. Turner, assistant general secretary, Association of Scientific Technical and Managerial Staffs and Mr M. Weinberg, deputy chairman and joint managing director, Hambro Life Assurance. All the appointments are for terms of three years.

★

R. J. WILLIAMS (PLANT HIRE), Watford, has appointed Mr Haydon Holloway as general manager (managing director designate) in place of the previous managing director Mr Norman Woollon, who has left the industry to live in mid-Wales.

هكذا من الأصل

TECHNOLOGY

EDITED BY ALAN CANE

ELAINE WILLIAMS and MAX COMMANDER have been examining some of the latest developments in sub-sea technology. They look at submersibles, the latest anchor designs for tankers or small sailing craft and, in a later article, how a Hull trawler gave up fishing to carry out a six-month sonar seabed survey and earned £0.25m in foreign currency.

UK pioneers a one-man submersible for 20,000 feet

AS OFFSHORE oil exploration moves into deeper waters —below 1,000 ft—conventional diving techniques are likely to be replaced with the increased use of manned or unmanned submersibles.

Although the technology is dominated by North American companies, OSEL, a small British engineering concern, is one of the pioneers of this underwater technology.

Flexible

It is developing a new one-man submersible which could be used at depths of 20,000 ft. By the end of the year, the Hawks will be ready for testing. It will offer more flexible system, the Mantis, plus potential to operate in deeper waters.

The Hawk resembles a helicopter in shape with a large acrylic dome giving the operator good all round vision.

It will use a novel garage system—which enables the craft to move around horizontally without having to drag thousands of feet of umbilical cable along, as most submersibles do.

This should lead to fewer entanglements in the cable, suffered too frequently by craft. In simple terms a garage is simply a frame to which the umbilical cable, carrying power and communications, is attached. Once the submersible has reached the right depth, it separates from the garage to which it is attached and can move around with a few hundred feet of cable, so reducing the strain on the main cable and needing less power to move around.

OSEL hopes that the Hawk will be the forerunner to submersibles which can reach a depth of 20,000 feet.

Mr Dong Hampson, chairman of the group, would like mining companies to take an interest in and help fund the machine which would have applications in mining manganese nodules lying on the ocean beds at these depths.

Observation

Mr Hampson says that the system would cost only about £1m to develop.

As exploration drilling moves into deeper waters, so it also moves beyond the practical and economic limits of conventional saturation diving.

At depths of 1,000 feet it takes a long time to pressurise divers to work effectively. It is dangerous and, divers face long term threats from debilitating diseases such as narcosis.

On the seabed there are four main units for oil production rigs which have to be inspected and repaired. These are:

- the marine riser which houses the drilling string;
- the blow-out preventer (BOP) stack which houses shut-off valves;
- the base plate upon which the BOP stack rests and,
- the four guide wires which link the base plate with the drilling rig.

Saturation

Most of the underwater tasks involve observation, inspection, surveying and sometimes manipulative work. Small submersibles, which are simply mobile cameras—often dubbed flying eyeballs—are used to carry out a large number of observation tasks today.

But to carry out repair work, servicing companies have to use either remotely operated vehicles which have various tools attached to a frame or opt for manned vehicles, if they do not want to send down workers using saturation diving techniques.

According to Mr Hampson: "Manned vehicles can do 95 per cent of the work carried out by saturation divers."

They can change guide wires, turn valves and replace sealing rings if they are fitted with the right tools.

OSEL's Mantis, one man submarine has been very successful in carrying out this work. Six machines operate in the Norwegian section of the North Sea.

Statoil, the Norwegian state-owned oil company has been keen to promote the use of all types of submersibles because of greater safety, and easier deployment compared with conventional saturation diving techniques. This coupled with the desire to standardise systems used for inspection and maintenance.

Thrusters

The basic Mantis is a one man tethered submersible in which the operator or pilot, breathes recycled air at one atmosphere.

Using eight basic thrusters attached to pods on the side of the hull, the machine is able to operate at three different forward speeds.

In May, it will complete its development of a new version of the Mantis, called the Duplus, which allows either manned or unmanned operation. The system uses microprocessor control which can be used an deck for remote operation.

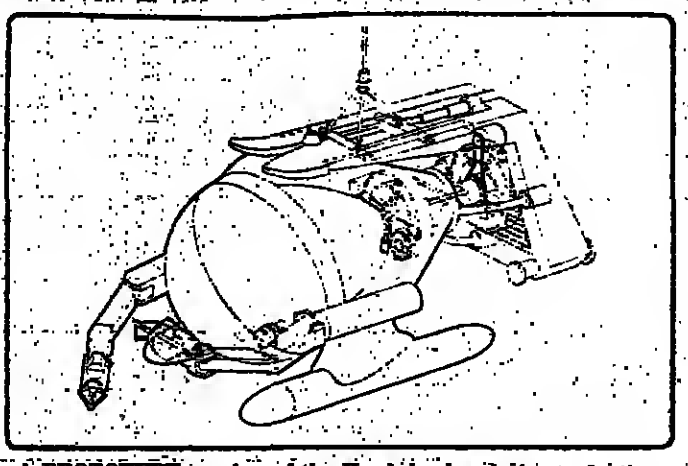
It is also looking at the possibility of building a two man sub which Mr Hampson has dubbed "Janus," and a high speed submersible, but will only go ahead with such concepts if the market is there.

OSEL competes in both the manned and unmanned submersible markets facing competition from companies such as International Hydro-products, and International Submarine Engineering, ISE, in Canada, Perry Oceanographics and Ametek Straza in the U.S., Slingsby Engineering and a number of Norwegian companies.

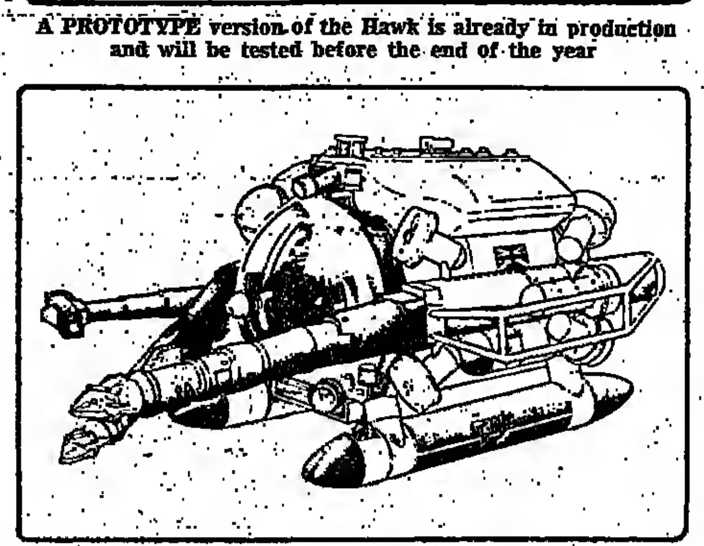
Mr Hampson admits that there are too many companies competing for the market. Last year, the world market for manned submersibles was between 15 to 20 systems and OSEL claims to have sold more than anyone else last year. It exports more than 80 per cent of its production.

For the future, Mr Hampson is aware that the company will have to diversify its activities in the underwater field to continue to maintain a hold in the market.

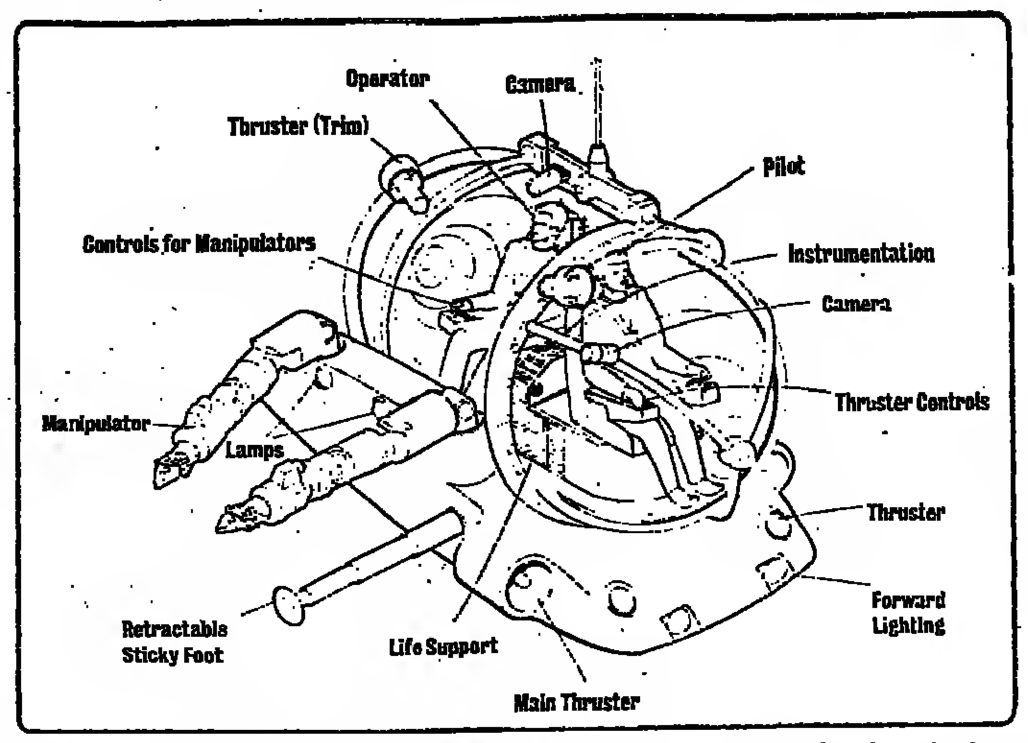
He believes that advanced technology coupled with reliability will be a key factor in such a move.



A PROTOTYPE version of the Hawk is already in production and will be tested before the end of the year



OSEL has had success with its one man Mantis and has now developed a version which can operate remotely



Janus, which is a two-man submersible is just a concept but OSEL says it has the technology to build such a machine

Platform from Conoco

IN LATE 1983, Conoco is likely to have a new type of oil platform operating in the North Sea.

Traditional offshore oil has been extracted using steel or concrete production platforms but as the search for oil has moved into deeper waters, the cost of such platforms has risen dramatically.

Conoco decided two years ago to go ahead with a floating platform held in place by vertical tension legs anchored to the sea bed.

The company has worked with Vickers and Brown Brothers to develop an hydraulic tensioning system which will pull the platform down into the water against its natural buoyancy to lessen movement from wind and waves.

Book that doesn't forget the deep sea diver

Much has been written and discussed in the past few years on the increasing dangers, but high pay, of divers working in cold treacherous waters of the North Sea.

In terms of danger, dropping to and working in great depths has something in common with riding a rocket into the vacuum of space. Both are hazardous, both can bring death swiftly, although, certainly, more divers have met their end on the seabed than astronauts either in space or on the ground.

Space travel, as a profession, has a bit more glamour than working the murky waters of the North Sea—that is, assuming one ignores the Flash Gordon type character in some Hollywood film wrestling at an imaginable depth with a "giant" octopus while wearing little more than a face mask.

All simplified and over dramatised, of course, and therefore refreshing to look at is a book that presents a comprehensive summary of all known subsea technology pertinent to the use of man and equipment at greater and greater depths.

"Subsea Manned Engineering" by Gerard Haux might be described as an offshore textbook from which designers, engineers and divers can plan their next excursion to the depths.

It is an authoritative survey of the design, construction and maintenance of subsea equipment.

Gerard Haux was formerly chief designer of hyperbaric diving and subsea engineering systems at Drager, Lubeck, West Germany, and is now an independent consultant with an international reputation.

Mr Haux in his 538 page book, which contains some 440 diagrams and illustrations, acknowledges the help with some chapters by British and German colleagues.

Subsea Manned Engineering is published by Bailliere Tindall, Red Lion Square, London of £35.

Nelson would not have approved

NELSON WOULD never have approved; modern-day seamen might look with a jaundiced eye, but the grand old game of "Crown and Anchor" will never look the same again.

Crown and Anchor boards will have to be re-designed because an anchor is no longer an anchor but a hook. To give it its full name it is the Hoseason Smith Hook (HSH).

Although still in prototype, preliminary tests have encouraged Smith Olsen to plan production at its supply and engineering base in the Shetlands.

Named after its designer, Richard Hoseason Smith, the original anchor concept has been modified and now, it is claimed, complies with recent Norwegian Maritime Directorate's stipulations for North Sea equipment.

Trials on the anchor, or hook, have been carried out in a variety of conditions and at different scopes using an 8-tonne prototype and a supply vessel of 1,376 gross tonnes.

The vessel was held by both bow anchors on 2,500 ft of chain at a scope of more than 40.

The HSH was on wire at various scopes down to as little as two. In soft bottom conditions, mainly mud, the HSH held 170 tonnes on the vessel's stern winch. This was the limit for the winch but at the same time the bow anchors started to drag.

The limit resulting from the winch inhibited the test to some extent, but theoretical calculations indicate a holding power for the HSH of more than 40. Similar, or somewhat better results, were obtained in hard bottom conditions.

Hoseason Smith, Victoria Chambers, Dundee (0382 28971) is now working on a four-tonne anchor for testing before application to Lloyds for classication.

The anchor, fabricated in hollow sections without moving parts can, the company believes, be manufactured faster than traditional cast anchors and to much bigger tonnage.

It should, the company believes, find a wide market from the largest semi-submersibles to conventional ships including large tankers, dredgers, etc., and, in smaller sizes for the sailing and fishing craft.

Redemption Notice

City of Oslo (Norway)

9% Sinking Fund External Loan Bonds due May 1, 1985

NOTICE IS HEREBY GIVEN, pursuant to Fiscal Agency Agreement dated as of May 1, 1970 under which the above described Bonds were issued, that Citibank, N.A., Fiscal Agent, has selected by lot for redemption on May 1, 1982 through the operation of the Sinking Fund, $1,533,000 principal amount of said Bonds at the Sinking Fund redemption price of 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption. The serial numbers of the Bonds selected by lot for redemption are as follows:

BOND NUMBERS

M62	2212	3810	5268	7362	9356	9738	10464	11008	12106	12763	13212	14020	14721	15083	15981	17164
79	2220	3812	5270	7364	9369	9766	10467	11012	12166	12765	13214	14068	14723	15085	15989	17166
101	2228	3816	5272	7366	9371	9774	10469	11014	12202	12768	13408	14091	14733	15097	15996	17178
113	2230	3817	5274	7368	9378	9793	10472	11042	12207	12770	13412	14093	14736	15089	16005	17187
138	2240	3819	5276	7512	9377	9795	10477	11114	12209	12773	13414	14117	14738	15092	16039	17224
218	2258	3821	5278	7514	9379	9818	10479	11137	12213	12778	13418	14119	14742	15094	16041	17232
257	2277	3823	5280	7621	9381	9895	10481	11174	12226	12799	13421	14121	14744	15096	16043	17236
293	2283	3825	5334	7653	9383	9983	10487	11182	12228	12803	13423	14123	14746	15098	16046	17257
297	2290	3828	5364	7679	9391	9985	10489	11246	12231	12820	13426	14125	14750	15102	16048	17264
299	2310	3830	5367	7686	9395	9987	10492	11249	12234	12823	13428	14127	14752	15107	16051	17315
407	2313	3832	5396	7668	9397	9993	10495	11260	12249	12829	13432	14129	14755	15110	16053	17358
409	2317	3834	5405	7724	9399	9995	10497	11262	12260	12834	13435	14131	14762	16112	16055	17362
416	2331	3836	5407	7726	9402	9997	10499	11264	12262	12842	13437	14133	14764	15114	16060	17377
420	2333	3838	5507	7728	9404	9999	10501	11270	12264	12844	13440	14135	14768	15336	16062	17392
426	2411	3840	5513	7730	9406	10001	10503	11272	12266	12847	13443	14137	14772	15344	16064	17395
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482	2435	3844	5541	7872	9412	10012	10510	11293	12284	12852	13448	14141	14777	15349	16070	17407
579	2437	3846	5544	7874	0414	10014	10514	11302	12292	12855	13450	14154	14786	15522	16107	17411
581	2510	3848	5546	7877	9420	10016	10519	11304	12296	12859	13452	14156	14788	15532	16125	17436
640	2531	3850	5558	7879	9422	10018	10523	11306	12298	12876	13456	14163	14793	15536	16132	17443
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936	2822	3863	5671	8041	9440	10046	10538	11345	12363	12897	13691	14179	14804	15549	16213	17537
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1127	3158	4111	6155	8507	9506	10241	10608	11468	12455	12951	13757	14357	14854	15603	16393	17823
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1841	3452	4930	7053	9072	9606	10345	10916	11893	12594	13075	13944	14608	14955	15909	16543	18485
1873	3679	5168	7055	9204	9614	10347	10919	11900	12596	13092	13947	14610	14957	15915	16548	18492
1911	3697	5170	7060	9227	9616	10362	10921	11924	12598	13095	13950	14613	14959	15917	16554	18499
1913	3700	5182	7104	9243	9626	10368	10924	11926	12600	13097	13953	14618	14962	15920	16556	18504
1918	3760	5184	7121	9264	9638	10372	10926	11928	12602	13109	13957	14622	14966	15922	16559	18542
1920	3770	5186	7129	9266	9641	10378	10928	11931	12611	13113	13961	14624	14968	15925	16574	18550
1925	3772	5188	7143	9268	9644	10381	10930	12011	12613	13117	13964	14627	14970	15927	16577	18557
1927	3774	5190	7145	9273	9646	10383	10933	12013	12636	13119	13966	14646	14975	15929	16580	18570
1929	3776	5192	7155	9275	9649	10397	10935	12020	12645	13121	13969	14649	14977	15931	16582	18577
1931	3778	5199	7160	9282	9651	10407	10937	12024	12647	13125	13973	14655	14985	15939	16585	
1935	3781	5202	7179	9292	9653	10413	10942	12035	12650	13132	13975	14657	14990	15946	16596	
1973	3784	5211	7187	9297	9659	10415	10944	12048	12653	13162	13977	14659	14992	15948	16605	
1975	3786	5215	7196	9305	9663	10421	10947	12061	12657	13164	13987	14667	14994	15962	16840	
1977	3788	5217	7233	9318	9665	10423	10951	12063	12659	13175	13990	14669	14996	15954	16882	
1988	3790	5219	7266	9321	9667	10428	10953	12065	12661	13177	13992	14674	15004	15956	16885	
2008	3792	5222	7278	9323	9669	10430	10955	12079	12677	13179	13994	14676	15012	15958	16906	
2030	3794	5253	7285	9325	9681	10432	10957	12081	12681	13183	14000	14700	15015	15960	16915	
2032	3796	5255	7344	9330	9683	10434	10959	12083	12700	13186	14008	14703	15018	15962	16992	
2074	3798	5257	7340	9332	9694	10436	10966	12085	12710	13189	14010	14707	15035	15964	17027	
2106	3800	5260	7348	9335	9696	10456	10969	12087	12731	13193	14012	14710	15060	15969	17036	
2108	3802	5262	7350	9337	9699	10458	10971	12090	12734	13200	14014	14713	15073	15972	17070	
2136	3805	5264	7356	9344	9702	10460	10973	12092	12742	13205	14016	14718	15079	15974	17105	
2138	3808	5266	7360	9354	9729	10462	11006	12101	12752	13207	14018	14716	15081	15979	17120	

On May 1, 1982 there will become due and payable upon each Bond selected for redemption the said redemption price, together with interest accrued to the date fixed for redemption. Payment of the redemption price of the Bonds to be redeemed will be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts thereon, upon presentation and surrender of said Bonds, with all coupons appertaining thereto maturing after the date fixed for redemption, at the Corporate Trust Office of Citibank, N.A., Municipal Bond Processing Window, 20 Exchange Place, 16th Floor, New York, N.Y. 10043 and subject to applicable laws and regulations, at the main offices of Citibank, N.A., in Amsterdam, Brussels, Frankfurt (Main), London, Milan and Paris. Payment at the offices of Citibank, N.A. in Europe referred to above will be made by check drawn upon a bank in New York City or by a transfer to a dollar account maintained by the payee with a bank in New York City.

On and after the date fixed for redemption interest on said Bonds will cease to accrue. Coupons due May 1, 1982 should be detached from the Bonds and presented for payment in the usual manner.

For the CITY OF OSLO (NORWAY)
CITIBANK, N.A.
as Fiscal Agent

March 30, 1982

Falklands crisis takes its toll on market sentiment
Leading shares above worst—Falls to 2¾ in Gilts

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 29	Apr 15	Apr 16	Apr 26
Apr 19	Apr 28	Apr 29	May 10
Apr 30	May 13	May 14	May 24

* "New time" dealings may take place from 9.30 am two business days earlier.

Apart from Gold shares, stock markets suffered a sharp setback yesterday as fears about the possible repercussions from the Falklands crisis took a grip on market sentiment.

Quotations of Gilts were widened and lowered at the outset in the face of marked weakness in sterling. This ploy, however, failed to deter offerings and prices weakened further as several waves of selling found the market increasingly unwilling.

Falls in long-dated stocks at one stage ranged to around 3 points, but a modest rally left final quotations with losses extending to 2¾. The shorts followed a similar pattern with falls in this area ranging to 1¾. The Government securities index, down 1.69 at 67.65, recorded its biggest one-day fall since June 13 1979.

Leading shares made a relatively steady start, but a loss of only 2.3 in the FT 30-share index at 10.00 am was extended to 8.7 an hour later as dealers backed away from selling. The slide in prices was taken further following the announcement of Lord Carrington's resignation and the index was showing a loss of 16.4 at 2.00 pm; this proved to be the lowest of the day, a subsequent technical rally, helped by favourable wholesale price indices, leaving it 11.1 down on balance at 559.9.

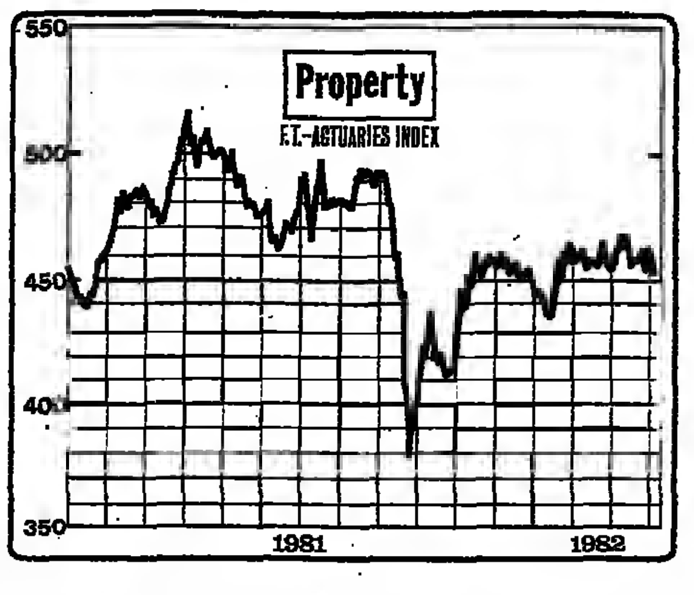
The FT-Actuaries All-share index retreated 2.3 per cent to 322.08 with the Oils and Tobacco sectors showing above-average losses of 3.6 per cent.

The late recovery was also helped by better-than-expected interim figures from Glaxo, which touched 532p in the earlier dealings and closed 10 up on the day at 556p; Glaxo provided the only firm feature of the index constituents which showed falls generally ranging to 8. Exceptionally, BP fell 14 to 284p and GEC gave up 18 to 815p.

Lloyds Bank sold

Fears that the bank's substantial Argentinian assets might be frozen prompted nervous selling of Lloyds which closed 22 down at the day's lowest of 419p. The other major clearers were similarly affected but Midland, 318p, and NatWest, 410p, lost only 10 apiece, while Barclays relinquished 9 at 436p, after 433p.

Discount Houses moved sharply lower in sympathy with marked weakness in the gilt-edged market. Alexanders, 205p, Cater Allen, 310p, and Gillett Bros., 127p, all fell 10, while Gerrard and National gave up 7 to 258p and Smith St Aubyn eased 3 to 37p. Hambros, 130p, and Guinness Peat, 70p, cheapened 12 and 8 respectively among merchant banks. Recent speculative favourite First National Finance Corporation retreated a few pence to 38½p.



Insurances succumbed to the malaise but closed above the worst in places. Ahead of their respective preliminary statements scheduled for tomorrow, Phoenix finished 6 off at 246p and Sun Alliance 14 lower at 536p. Royals fell 17 to 335p and General Accident declined 6 to 310p. In Life issues, Hambro Life lost 10 at 293p and Prudential dipped 8 at 244p. A firm market last week on the excellent results, Legal and General shed 9 to 242p.

Io Technology made a very quiet debut in the Unlisted Securities Market, opening and closing at the placing price of 250p. Yesterday also saw the start of dealings, under Rule 163 (3), in Fisherman's Petroleum which held at the introduction price of 100p.

Highland Distilleries rose 3 to 79p following the increased interim profits and dividend. Other wines and spirits, however, trended to lower levels in the absence of support. Arthur Bell, a buoyant market of late, gave up 4 at 182p, while Distillers eased 2 to 173p. Sherry importers Luis Gordon plunged 6 to 23p after revealing a sizeable full-year loss and omitting the dividend.

Stores above worst

Fears of higher interest rates following renewed weakness in sterling yesterday contributed to the dullness in Buildings and the leaders gave a little ground on small selling. Blue Circle, 454p, and Tarmac, 474p, shed 8 apiece, while Rugby Portland Cement, despite announcing good preliminary results, closed 4 cheaper at 85p, after 84p. Housebuilders Barratt Developments lost 11 to 272p, while profit-taking in the wake of the interim results left Bryant Holdings 8 down at 98p, Burnett and Hallamshire lacked support and shed 50 to 690p, while Higgs and Hill, preliminary results due today, cheapened 3 to 155p.

ICI, down to 314p at one stage, rallied in the late dealings to close 6 down on balance at 318p.

The emergence of persistent small sellers following a defensive mark-down left leading Stores lower. A firmer trend was evident after the "House" close, but falls still ranged to double figures with Gussies "A" 11 down at 513p. British Home fell 6 to 153p, while Marks and Spencer, 150p, and Burton, 183p, eased 5 apiece, and Woolworths, awaiting today's annual report, shed a couple of pence to 48p, after 47p. The dull tone spread to secondary issues; Currys, 182p, and Dixons Photographic, 168p, gave up around 8 apiece. In small-orders, Freemans dipped 6 to 138p, while Empire, annual results due later this month, eased 4 to 76p. Acdis, which announced poor annual results last week, remained friendless and dropped 7 more to 46p, but renewed speculative demand lifted Church, 5 higher at 178p, while Amber Day, buoyed by the chairman's purchase of shares last week, added 2½ to 15½p.

An initial mark-down followed by sporadic offerings prompted marked weakness in recently buoyant Electrical majors. GEC featured with a decline of 18 to 815p: the group confirmed yesterday the sale of its Morphy Richards concern to Capital for Industry. BICC lost 13 to 315p and Plessey relinquished 8 to 377p, after 373p. Thorn EMI cheapened 7 to 435p as did Racal, to 378p, after 373p. Elsewhere, Philcom declined 4 to 16p on the £1½m deficit and dividend omission, while Lec Refrigeration lost 7 to 233p ahead of tomorrow's preliminary results. Falls of between 10 and 18 were sustained by Cambridge, 128p, Kode, 290p, Standard Telephones and Cables, 510p, and United Scientific, 322p.

Leading Engineers moved with the general trend. Hawker dipped 6 to 302p and GKN 5 to 154p, while Tubes gave up 4 at 130p. Elsewhere, Laird closed a few pence off at 122p despite reporting record annual profits and Aurora shed a penny more to 14p following nervous offerings ahead of Thursday's preliminary figures. Weir Group came on offer and fell 4 to 59½p, while Davy Corporation cheapened 5 to 141p and Simon 7 to 368p. Up 14 last week on better-than-expected results, Babcock International touched 117p following Press comment before finishing only a penny better on balance at 113p.

Food issues contributed to the general dullness, Cadbury Schweppes and Rowntree Mackintosh losing 5 apiece to 99p and 168p respectively. Unigate, additionally hindered by adverse Press comment, shed 3 to 85p, while recently firm Northern relinquished 4 to 158p. Kwik Save were particularly weak among Retailers, falling 10 to 244p. Elsewhere, Watson and Philip put on 4 to 57p on Press suggestions that the company might attract a bid, but following the more-than-halved annual profits, G. F. Lovell fell 4 to 32p.

Reo Stakis provided a bright spot in Hotels and Caterers, rising 7 to 68p on talk that Scottish and Newcastle, which holds an 8.2 per cent stake in the company, might make a bid.

Glaxo rally late

Standing at 532p at the "House" close, Glaxo rallied smartly after-hours on news of the much-better-than-expected interim profits to end 10 better on balance at 556p. The announcement also prompted a sympathetic rally in Beecham, which finished only 4 cheaper at 240p, after 234p. Bowater, with preliminary figures scheduled for today, also revived to close only 2 easier at 241p, after 238p. Other miscellaneous industrial leaders, however, failed to recover early sharp falls brought about by the Falkland Island crisis and subsequent Government resignations. Pilkington fell 14 to 258p and Reed International declined 12 to 272p as did Unilever, to 916p, while [illegible] down 10. Elsewhere, Cawoods encountered profit-taking as the market awaited further news of the bid approach, touching 285p before rallying late to end only 8 down on balance at 280p. BET lost 13 to 187p, while recently firm Hawley dipped 6 to 51p. Vinten hardened 2 to 246p in the wake of a placing of 1.65m shares at 235p to partly finance a U.S. acquisition. Sothebys put on 5 to 345p in response to Press comment.

Recently firm Horizon Travel encountered profit-taking and closed 20 down at 392p, after 390p. Intasun shed 5 to 146p and Saga Holidays 3 to 148p.

Dowty highlighted a dull session in Motor and Aircraft component manufacturers, falling 11 to 114p in active trading following news of 850 redundancies and the closure of two subsidiaries due to the current recession in aerospace-orientated products. Lucas closed 6 down at 191p. Elsewhere, Appleyard continued to react to fading take-over hopes and shed 2 more to 47p, while similar losses were noted in Henlys, 99p, and H. and J. Quick, 43p.

Newspapers were mixed. Associated continued to attract support and firmed 4 more to 210p, but Pearson Longman encountered profit-taking awaiting news of the talks with parent S. Pearson and gave up 5 to 315p; S. Pearson eased 6 to 246p. Interest was again shown for last week's dawn raid subject Richard Clay, which added 2 more to 75p, while unsuccessful suitors British Printing and Communication also added 2, to 38p, in response to the preliminary results.

Worries about interest rates made for particularly dull conditions in Properties, but the leaders closed a few pence above the day's lowest in places. Land Securities ended 10 down at 290p, after 288p, while MEPC finished 5 off at 222p, after 221p. Capital and Counties, a rising market recently on speculative interest, shed 5 to 128p, while Hammerson "A" lost 30 to 610p, after 605p, on rights issue rumours. Great Portland Estates, 182p, and Haslemere Estates, 380p, shed 6 apiece, while Stock Conversion gave up 10 to 327p. Cardiff Properties provided an isolated firm spot, adding 5 to 135p following favourable Press comment.

British Petroleum dropped to 282p before closing a net 14 down at 284p on talk that 3m shares had been placed with various institutions following the reported £128m loss in its oil refining business. Other Oils also turned dull, Shell losing 8 to 376p, after 374p. Ultramar, 373p, Tricentrol, 198p, and Lasmo, 335p, all shed 10, while Burmah, preliminary results due on April 14, lost 5 to 125p. Bid favourite Clyde Petroleum met profit-taking and reacted 8 to 100p, while Berkeley Exploration relinquished 15 to 275p.

Textiles usually finished with modest falls, although Dawson International were particularly dull at 127p, down 11; deputy chairman Mr J. B. Haggas is to retire from the board. Courtaulds eased a couple of pence to 86p, after 85p, while Early's of Witney, 27p, lost Friday's gain of 3 which followed the annual results.

Bats, which has sizeable tobacco interests in the Argentine, touched 410p before settling for a net fall of 17 at 413p. Imps finished 3 cheaper at 85p.

Golds sharply higher

Concern over the Falkland Islands situation brought an immediate and positive response from bullion and Gold shares.

The bullion price moved up to around $340 an ounce in early trading, and was followed by a sharp mark-up of gold share prices amid sizeable Johannesburg and Continental buying interest.

The buying soon dried up and quotations drifted back, in line with bullion, and edged higher again in the after-hours' trade.

Closing gains were below the day's best but lifted the Gold Mines index by 14.1 to 271.5, its highest since mid-February. The bullion price was finally $9.75 up on balance at $337.75.

Heavyweights showed gains of over a point common to Randfontein, £24¼, Vaal Reefs, £27¼ and Western Holdings, £21.

Initially marked-up reflecting the gains in precious and base-metal prices, London Financials retreated in the face of heavy selling.

RTZ closed a net 5 cheaper at 417p, after 423p, Charter gave up a like amount to a 1982 low of 205p and Gold Fields ended the day unaltered on balance at 395p, after 400p.

Australians were mixed and nervous following the Labour Party election victory in Victoria. Trading was subdued but prices were propped up by the gains in metal prices.

Activity in Traded Options held up well and 2,230 deals were arranged, well above last week's daily average of 1,859. Calls totalled 1,730 and once again the lion's share of the business was transacted in Imperial, which attracted 751 trades with 316 struck in the August 100's.

FINANCIAL TIMES STOCK INDICES

	April 5	April 2	April 1	Mar. 31	Mar. 30	Mar. 29	A year ago
Government Secs	67.65	69.34	68.17	68.25	68.30	68.83	69.07
Fixed Interest	68.37	32.74	69.64	28.62	69.38	69.39	71.06
Industrial Ord.	359.8	571.0	370.1	568.5	562.3	555.1	533.3
Gold Mines	871.5	237.4	263.4	246.7	846.8	236.4	685.a
Ord. Div. Yield	5.59	3.30	2.52	5.54	3.61	6.67	3.13
Earnings, Yld.% (full)	11.17	10.92	11.03	11.07	11.12	11.31	12.13
P/E Ratio (net) (*)	11.27	11.46	11.41	11.37	11.24	11.16	10.21
Total bargains	24,282	26,012	27,343	24,527	23,052	21,013	31,674
Equity turnover £m.	—	170.32	175.73	171.67	135.06	119.10	172.33
Equity bargains	—	23,038	26,169	22,816	68,458	18,337	67,313

10 am 565.7. 11 am 562.3. Noon 560.6. 1 pm 556.3. 2 pm 554.3 3 pm 555.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974

Latest Index 01-246 8026.

*Nil=10.27.

HIGHS AND LOWS / S.E. ACTIVITY

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	69.55 (23/3)	31.89 (5/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.74 (7/4)	32.79 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	579.8 (29/1)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	303.0 (5/1)	209.2 (9/3)	558.9 (22/9/80)	43.5 (26/10/71)

—Daily	April 5	April 1
Gilt Edged Bargains	193.3	178.5
Equities Bargains	142.4	169.6
Equities Value	344.9	335.2
5-day Avrge. Gilt-Edged Bargains	177.0	172.2
Equities Bargains	146.2	141.1
Equities Value	312.1	305.3

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1982 High	1982 Low	Stock	Closing price p	+ or —	Div. p. or amount	Times Covered	Gross Yield	P/E Ratio
140	F.P.	14/5	146	142	AIM Group 10p	143	—2	bd5.75	1.9	5.7	12.9
146	F.P.	26/3	212	186	Amersham	200	—5	b3.5	2.4	2.5	18.5
15	F.P.	13/4	26	19	Cambrian & Gen.7½p	28	+5	—	—	—	—
§102	F.P.	—	135	127	Dew (George)	127	—5	g5.7	4.0	6.4	5.9
—	F.P.	—	25	21	Fleet Holdings 20p	23	......	—	—	—	—
—	F.P.	—	39	27	Greenfriar Warrants	39	+1	—	—	—	—
§250	F.P.	—	250	250	✻Io Technology	250	......	—	—	—	—
§99	F.P.	5/3	93	89	✻Imm. Bus. Sys. 10p	91	—1	—	—	—	—
‖	F.P.	—	276	270	✻Jebsens Drilling	270	—5	h17.5	2.3	9.3	6.8
§120	F.P.	7/5	134	127	Leisure Inds.	130	—2	b5.0	2.8	5.5	8.1
§130	F.P.	15/4	170	137	✻Oceonics 10p	150	—5	bd1.5	4.7	1.3	17.1
‖	F.P.	—	30	30	Osprey Assets	30	......	F1.4	—	6.7	—
¶¶	F.P.	—	42	39½	P. N. Industrials	39½	......	b3.5	1.8	12.7	6.2
136	F.P.	13/5	141	139	Standard Secs.	139	—1	b3.5	1.9	3.9	41.7
¶¶	F.P.	—	80	80	Zambia Cons Cpr 10K	80	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or —
§100	£26	30/7	35¾	25¾	Barclays 16% Ln. Stk.	32½	—2¼
100	F.P.	14/4	116	111	Boddingtons Brew 9½% Cnv. Ln. 2000.05	115	—1
¶100	£10	24/6	10½	10½	Bristol Water 9% Pref.	10½	......
100	F.P.	22/3	103	98	Hunting Pet. 10% Cnv. Ln. 1997	99	—1
99.536	£30	—	38½	29½	Int. Bank 14% Ln. 1987	28½	—¾
¶99	£10	29/4	11¾	10½	Lee Valley 9½% Red. Prf. 1989	11¾	......
§100	F.P.	—	100⅝	100	Nationwide Bdg. Soc. 14¼% (14/3/83)	100½	......
§100	F.P.	—	100⅛	100	Do. 14¼% (4/4/83)	100	—⅛
**	F.P.	13/4	102¼p	100p	Ropners 11½% Cum. Prf	102½p	......
98.53	£30	20/5	65½	19¾	Trans-Canad Pipelines 16½% Notes 2007	33	—2

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982 High	1982 Low	Stock	Closing price p	+ or —
126	Nil	—	—	21pm	12pm	Bazaar (C. H.) 10p	19pm	—2
A$1	Nil	—	—	4pm	4pm	Bond Corp.	4pm	......
70	F.P.	15/3	19/4	108	75	✻Clyde Petroleum	98	—10
40	F.P.	8/3	23/4	42	40	✻Energy Finance 10p	40	......
30	F.P.	29/6	10/5	60	60	First Castle 10p	58	—2
160	F.P.	22/3	29/4	188	164	Hunting Pet. Services	185	......
A$2.25	Nil	—	—	26pm	12pm	M.I.M.	18pm	+4
3	Nil	—	—	1¼pm	¾pm	Platignum 3p	¾pm	......
92	Nil	—	—	8pm	3pm	Riley Leisure	6pm	......
74	Nil	8/4	6/5	32pm	24pm	St. George's Crp. 10p	30pm	—2
110	F.P.	23/3	23/4	167	134	Security Centres	155	—8
11	F.P.	6/4	27/4	16	14½	Shaw & Marvin 10p.	15	......
10	F.P.	24/3	26/4	16½	11	Sturla 10p.	12	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *h* Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ⊕ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Dealings under special Rule. ✻ Unlisted Securities Market. ‡‡ London Listing. † Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). ‡‡ Unit comprising five ordinary and three Cap shares.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BAT Inds	413	—17	ICI	318	— 6
Bowater	241	— 2	Lloyds Bank	419	—22
BP	284	—14	Reed Int	272	—12
Dawson Int	127	—11	RTZ	417	— 5
Dowty	114	—11	Unilever	916	—12
Glaxo	556	+10	Vaal Reefs	£27¼	+1¼

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of price changes	Friday's closing price pence	Day's change	Stock	No. of price changes	Friday's closing price pence	Day's change
LASMO	31	346	+22	Imperial GP	20	98	+ 5
GEC	23	833	+ 3	BP	19	298	— 3
Ultramar	23	383	— 5	De Beers Dld	19	230	—
Broken Hill Prp	22	425	— 5	Ladbroke	19	170	+ 3
Burmah	21	130	+ 2	RTZ	19	422	+ 4
BAT Inds	20	430	+ 7	Shell Trans	18	384	+ 2
ICL	20	53	+ 2	NatWest	18	420	+ 5

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on April 5, 1982. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied. Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (bs) basic rate; (bg) buying rate; (Bk) bankers' rates (cm) commercial rate; (c) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	98.00
Albania	Lek	10.03
Algeria	Dinar	7.4200
Andorra	French Franc	11.075
	Spanish Peseta	188.85
Angola	Kwanza	(GM) 52.933 (T) 53.139
Antigua (S)	E. Caribbean $	4.78
Argentina	Ar. Peso	60,320.0 (S)
Australia (S)	Australian $	1.7680
Austria	Schilling	29.945
Azores	Portug'se Escudo	126.73
Bahamas (S)	Ba. Dollar	1.7680
Bahrain (S)	Dinar	0.670
Balearic Isles	Sp. Peseta	188.85
Bangladesh (S)	Taka	38.25
Barbados (S)	Barbados $	3.5360
Belgium	B. Franc	(com) 80.45 (fin) 91.35
Belize	B $	3.536
Benin	C.F.A. Franc	553.75
Bermuda (S)	Bda $	1.7680
Bhutan	Indian Rupee	16.60
Bolivia	Bolivian Peso	(om) 77.80 (F)(a) 176.80
Botswana (S)	Pula	1.6888
Brazil (S)	Cruzeiro	261.67
Brit. Virgin Isles (S)	U.S. $	1.7680
Brunei (S)	Brunei $	3.7775
Bulgaria	Lev	1.7427
Burma	Kyat	11.46
Burundi	Burundi Franc	164.30
Cameroon Republic	C.F.A. Franc	553.75
Canada	Canadian $	2.1690
Canary Islands	Spanish Peseta	188.85
Cape Verde Isle	Cape V. Escuda	94.70
Cayman Islands (S)	Cay. Is. $	1.4733
Cent. Afr. Republic	C.F.A. Franc	553.75
Chad	C.F.A. Franc	553.75
Chile	C. Peso	(fk) 68.08
China	Renminbi Yuan	3.2498
Colombia	C. Peso	(F) 108.67
Comoro Islands	C.F.A. Franc	553.75
Congo (Brazzaville)	C.F.A. Franc	553.75
Costa Rica	Colon	(fg) 38.36 (F) 70.78
Cuba	Cuban Peso	1.4090
Cyprus (S)	Cyprus £	0.8290
Czechoslovakia	Koruna	(com) 11.00 (nc) 19.16 (t) 10.55
Denmark	Danish Krone	14.85
Djibouti	Fr	300
Dominica (S)	E. Caribbean $	4.78
Dominican Repub.	Dominican Peso	1.7680
Ecuador	Sucre	(o) 44.20 (F) 80.00
Egypt	Egyptian £	(u) 1.47
Equatorial Guinea	Ekuele	377.7
Ethiopia	Ethiopian Birr	(P) 3.6100
Falkland Islands (S)	Falkland Is £	1.0
Faroe Islands	Danish Krone	14.85
Fiji Islands	Fiji $	1.6343
Finland	Markka	8.189
France	French Franc	11.075
French C'tyin Af	C.F.A. Franc	553.75
French Guiana	Local Franc	11.075
French Pacific Is.	C.F.P. Franc	190 (ag)
Gabon	C.F.A. Franc	553.75
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	4.27
Germany (West)	Deutsch Mark	4.27
Ghana (S)	Cedi	4.92
Gibraltar (S)	Gibraltar £	1.0
Greece	Drachma	113.375
Greenland	Danish Kroner	14.85
Grenada (S)	E. Caribbean $	4.78
Guadaloupe	Local Franc	11.075
Guam	U.S. $	1.7680
Guatemala	Quetzal	1.7680
Guinea Republic	Syli	39.30
Guinea Bissau	Peso	70.00
Guyana (S)	Guyanese $	5.3130
Haiti	Gourde	8.84
Honduras Repub.	Lempira	3.5377
Hong Kong (S)	H.K. $	10.30925
Hungary	Forint	68.7200
Iceland (S)	I. Krona	18.0555
India (S)	Ind. Rupee	16.60
Indonesia	Rupiah	1,146.25
Iran	Rial	147.50 (sg)
Iraq	Iraq Dinar	0.52795
Irish Republic (S)	Irish £	1.2290
Israel	Shekel	32.40
Italy	Lira	2,394.5
Ivory Coast	C.F.A. Franc	553.75
Jamaica (S)	Jamaica Dollar	3.1530
Japan	Yen	440.0
Jordan (S)	Jordan Dinar	0.612
Kampuchea	Riel	2,131.6
Kenya (S)	Kenya Shilling	18.22
Kiribati	Australian $	1.5700
Korea (Nth)	Won	1.73
Korea (Sth)	Won	1,286.21
Kuwait (S)	Kuwait Dinar	0.508
Laos	New Kip	17.68
Lebanon	Lebanese £	8.7520
Lesotho	Loti	1.8723
Liberia	Liberian $	1.7680
Libya	Libyan Dinar	0.5234
Liechtenstein	Swiss Franc	3.456
Luxembourg	Lux Franc	80.45
Macao	Pataca	10.75
Madeira	Portug'se Escudo	126.75
Malagasy Republic	MG Franc	553.75
Malawi (S)	Kwacha	1.6800
Malaysia (S)	Ringgit	4.1375
Maldive Islands (S)	Rufiyaa	13.26
Mali Republic	Mali Franc	1,107.6
Malta (S)	Maltese £	0.729
Martinique	Local Franc	11.075
Mauritania	Ouguiya	88.72
Mauritius (S)	M. Rupee	19.12
Mexico	Mexican Peso	79.33
Miquelon	C.F.A. Franc	553.75
Monaco	French Franc	11.075
Mongolia	Tugrik	(o) 5.78
Montserrat (S)	E. Caribbean $	4.72
Morocco	Dirham	10.37 (sg)
Mozambique	Metical	53.53
Nauru	Australian Dollar	1.6700
Nepal	Nepalese Rupee	23.40
Netherlands	Guilder	4.705
Netherland Antilles	Antillian Guilder	3.1647
New Zealand (S)	N.Z. Dollar	2.3186
Nicaragua	Cordoba	17.70
Niger Republic	C.F.A. Franc	553.75
Nigeria (S)	Naira	1.198070 (sg)
Norway	Norway Krone	10.815
Oman Sul'ate of (S)	Rial Omani	0.613
Pakistan	Pakistan Rupee	19.713
Panama	Balboa	1.7680
Papua N. Guinea (S)	Kina	1.2650
Paraguay	Guarani	(o) 222.02 (F) 275.13
Peru	Sol	(ex(A) 1066.0
Philippines (S)	Philippine Peso	14.6870
Pitcairn Islands (S)	£ Sterling	1.0
	New Zealand $	2.3185
Poland	Zloty	(com) 131.98 (n) 131.88
Portugal	Portug'se Escudo	126.75
Puerto Rico	U.S. $	1.7680
Qatar (S)	Qatar Ryal	6.46
Reunion Ile de la	French Franc	11.075
Romania	Leu	(Cm) 8.10 (nc) 19.93
Rwanda	Rwand Franc	168.03
St. Christopher (S)	E. Caribbean $	4.72
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	4.76
St. Pierre	Local Franc	11.075
St. Vincent (S)	E. Caribbean $	4.78
Salvador El	Colon	4.42
Samoa American	U.S. $	1.7680
San Marino	Italian Lira	2,339.5
Sao Tome & Prin.	Dobra	72.06
Saudi Arabia	Ryal	6.05
Senegal	C.F.A. Franc	553.75
Seychelles	S. Rupee	11.48 (ag)
Sierra Leone (S)	Leone	2.1978
Singapore (S)	Singapore $	3.7273
Solomon Islands (S)	Solomon Is. $	1.6300
Somali Republic	Somali Shilling	(A) 11.22 (sg) 26.26
South Africa (S)	Rand	1.97265
South West African Territories (S)	S.A. Rand	1.97265
Spain	Peseta	188.85
Spanish ports in North Africa	Peseta	188.85
Sri Lanka	S.L. Rupee	33.33
Sudan Republic	Sudan £	1.5918
Surinam	S. Guilder	3.1647
Swaziland (S)	Lilangeni	1.87225
Sweden	S. Krona	10.50
Switzerland	Swiss Franc	3.456
Syria	Syria £	(A) 10.0
Taiwan	New Taiwan $	67.20
Tanzania (S)	Tan. Shilling	15.63
Thailand	Baht	40.49
Togo Republic	C.F.A. Franc	553.75
Tonga Islands (S)	Pa'anga	1.6900
Trinidad (S)	Trinidad & Tob. $	4.2430
Tunisia	Tunisian Dinar	0.924 (sg)
Turkey	Turkish Lira	231.43
Turks & Caicos	U.S. $	1.7680
Tuvalu	Australian $	1.5700
Uganda (S)	Uganda Shilling	150.0
United States	U.S. Dollar	1.7680
Uruguay	Uruguay Peso	(cm) 21.19 (fn) 21.21
Utd. Arab Emirates	U.A.E. Dirham	6.53
U.S.S.R.	Rouble	1.2354
Upper Volta	C.F.A. Franc	553.75
Vanuatu	Vatu	173.25
	Aust. Dollar	1.5700
Vatican	Italian Lira	2,339.5
Venezuela	Bolivar	7.61
Vietnam	Dong	(O) 16.850 (F) 36.650
Virgin Islands U.S.	U.S. Dollar	1.7680
Western Samoa (S)	Samoan Tala	1.80
Yemen (Nth)	Ryal	8.08 (sg)
Yemen (Sth)	S. Yemen Dinar	(A) 0.6050
Yugoslavia	New Y Dinar	82.6283
Zaire Republic	Zaire	10.190784
Zambia	Kwacha	1.5621
Zimbabwe	Zimbabwe $	1.3145

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 74.25. ** Rate is the transfer market (controlled). ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (§) Based on gross rates against Russian rouble. (1) Parallel exchange rate for essential imports. (2) Exports, non-essential imports and transfer. (3) Now one rate. (4) Essential goods.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
April 5	April 26	July 15	July 26
April 26	May 7	July 29	Aug 9
May 10	May 21	Aug 12	Aug 23

For rate indications see end of Share Information Service

Calls were taken out in Minster Assets, ICL, Trident TV A, Sun Oil Royalties, First National Finance, Lake and Elliot, Smith St. Aubyn, Clive Discount, Second City Properties, Candecca, Woodside and Cluff Oil. Puts were arranged in Southvaal and Lasmo, while doubles were struck in First National Finance, BP, Courtaulds and Cawoods.

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1982.

NEW HIGHS (60)

AMERICANS (18)
CANADIANS (2)
BANKS (3)
BUILDINGS (2)
CHEMICALS (2)
STORES (2)
ELECTRICALS (1)
ENGINEERING (3)
FOODS (1)
HOTELS (1)
INDUSTRIALS (11)
INSURANCE (1)
MOTORS (1)
NEWSPAPERS (2)
PAPERS (3)
PROPERTY (1)
TEXTILES (1)
TRUSTS (5)
OILS (2)
MINES (2)

NEW LOWS (134)

BRITISH FUNDS (1)
FOREIGN BONDS (1)
CANADIANS (2)
BANKS (7)
BEERS (3)
BUILDINGS (7)
CHEMICALS (1)
DRAPERY & STORES (11)
ELECTRICALS (8)
ENGINEERING (13)
FOODS (2)
HOTELS (2)
INDUSTRIALS (25)
INSURANCE (2)
LEISURE (2)
MOTORS (6)
NEWSPAPERS (1)
PAPER (2)
PROPERTY (7)
SHIPPING (5)
TEXTILES (1)
TRUSTS (12)
OIL & GAS (4)
OVERSEAS TRADERS (6)
TEAS (2)
MINES (3)

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	—	93	—
Corpns. Dom. and Foreign Bonds	—	40	35
Industrials	112	647	580
Financial & Props.	41	284	208
Oils	14	51	42
Plantations	4	6	13
Mines	30	14	57
Others	84	31	32
Totals	351	1,146	965

rpns. Dom. & Foreign

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon April 5 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri April 2 Index No.	Thurs April 1 Index No.	Wed Mar 31 Index No.	Tue Mar 30 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (208)	365.23	−2.2	9.99	4.36	12.39	373.59	372.46	370.52	366.73	341.95
2	Building Materials (23)	325.71	−2.2	13.60	5.27	8.82	333.04	330.88	327.18	329.64	306.31
3	Contracting, Construction (28)	594.99	−2.5	14.72	4.84	8.04	610.02	607.20	607.03	605.88	564.55
4	Electricals (31)	1275.86	−2.3	7.32	2.32	17.45	1305.51	1294.21	1288.40	1271.26	1080.06
5	Engineering Contractors (9)	496.91	−1.7	12.99	5.91	8.97	505.43	505.96	496.11	492.51	460.19
6	Mechanical Engineering (67)	190.85	−2.5	12.22	5.96	9.97	195.73	196.97	196.05	191.88	209.85
8	Metals and Metal Forming (11)	158.03	−2.5	19.56	7.50	12.04	162.01	163.22	163.20	159.95	160.34
9	Motors (21)	94.10	−2.1	2.66	7.06	—	96.17	96.55	96.58	95.98	98.50
10	Other Industrial Materials (18)	368.51	−1.7	9.87	5.74	12.32	374.80	375.71	374.03	371.23	356.92
21	CONSUMER GROUP (201)	299.48	−2.1	12.33	5.58	9.95	305.94	304.20	303.83	299.37	267.58
22	Brewers and Distillers (21)	301.38	−1.3	15.69	6.48	7.69	305.24	304.48	308.27	303.89	288.26
25	Food Manufacturing (22)	272.31	−2.2	15.62	6.65	7.70	278.46	278.29	277.68	274.10	249.58
26	Food Retailing (14)	600.93	−1.5	8.95	3.33	13.63	610.23	610.23	607.35	605.79	525.04
27	Health and Household Products (8)	401.66	−0.8	8.21	3.97	14.23	404.92	399.06	395.52	388.65	288.50
29	Leisure (24)	450.33	−2.3	10.03	5.04	12.40	461.12	459.13	454.55	442.87	408.59
32	Newspapers, Publishing (12)	537.63	+0.7	10.56	5.82	12.67	533.66	532.25	526.71	523.16	485.17
33	Packaging and Paper (14)	144.25	−2.4	13.63	7.36	8.77	147.78	147.54	147.95	145.79	140.19
34	Stores (45)	275.93	−2.9	10.31	4.86	12.99	284.09	283.18	283.07	279.36	265.81
35	Textiles (23)	172.85	−2.4	9.56	5.80	13.59	177.05	176.09	176.18	175.32	151.71
36	Tobaccos (3)	313.12	−3.6	19.56	8.32	5.92	324.70	316.14	314.54	305.93	228.20
39	Other Consumer (15)	295.27	−0.7	1.70	5.35	—	297.26	297.11	296.35	294.98	274.26
41	OTHER GROUPS (78)	255.39	−2.3	13.24	6.09	9.10	261.41	259.67	257.45	254.88	225.77
42	Chemicals (16)	333.45	−1.7	13.47	6.93	8.86	339.09	338.96	335.63	330.42	267.41
44	Office Equipment (4)	125.79	−2.8	12.80	6.83	9.51	129.44	127.64	126.85	127.24	117.54
45	Shipping and Transport (13)	570.80	−2.0	19.22	6.47	6.16	582.31	580.17	583.96	578.02	621.35
46	Miscellaneous (45)	325.73	−2.9	11.39	5.03	10.75	335.55	331.42	327.44	325.27	292.84
49	INDUSTRIAL GROUP (487)	316.38	−2.2	11.60	5.20	10.57	323.44	321.88	320.69	316.71	287.17
51	Oils (13)	672.82	−3.6	18.57	8.61	6.29	697.81	687.91	681.00	676.22	773.21
59	500 SHARE INDEX	345.46	−2.4	12.68	5.73	9.56	353.97	351.73	350.09	346.04	326.65
61	FINANCIAL GROUP (117)	253.67	−2.5	—	6.39	—	260.10	259.12	259.41	257.78	257.37
62	Banks (6)	264.13	−2.9	39.92	8.89	2.74	272.12	270.11	271.62	274.76	290.00
63	Discount Houses (9)	225.20	−3.0	—	9.63	—	232.06	231.39	232.06	232.06	309.57
65	Insurance (Life) (9)	263.28	−2.6	—	6.72	—	270.29	269.68	268.94	268.69	268.47
66	Insurance (Composite) (10)	158.95	−2.5	—	8.66	—	163.04	163.61	164.31	163.06	168.90
67	Insurance Brokers (7)	479.76	−1.5	10.98	5.19	12.42	487.13	481.07	484.75	476.51	357.16
68	Merchant Banks (12)	151.77	−2.1	—	5.53	—	155.05	154.78	153.61	149.28	199.03
69	Property (49)	452.45	−2.4	4.78	3.30	27.92	463.45	460.95	460.26	457.00	508.77
70	Other Financial (15)	178.35	−1.8	18.41	6.41	6.58	181.71	180.92	179.90	180.69	174.60
71	Investment Trusts (112)	296.83	−1.1	—	5.43	—	300.17	299.49	298.53	296.47	302.11
81	Mining Finance (4)	205.98	−0.9	16.45	6.90	7.38	207.87	207.35	204.98	204.30	240.94
91	Overseas Traders (17)	381.26	−0.6	13.73	8.35	8.89	383.54	384.51	383.44	381.88	449.94
99	ALL-SHARE INDEX (750)	322.08	−2.3	—	5.89	—	329.60	327.81	326.60	323.31	312.10

FIXED INTEREST

	PRICE INDICES	Mon April 5	Day's change %	Fri April 2	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	110.35	−0.96	111.42	—	2.89
2	5-15 years	109.08	−2.54	111.92	—	3.43
3	Over 15 years	113.36	−2.68	116.49	—	3.04
4	Irredeemables	119.01	−3.24	122.99	—	1.62
5	All Stocks	110.58	−2.12	112.97	—	3.11
6	Debentures & Loans	87.68	−0.69	88.29	—	3.51
7	Preference	64.32	−0.93	64.92	—	2.52

	AVERAGE GROSS REDEMPTION YIELDS		Mon April 5	Fri April 2	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	12.09	11.66	11.47
2		15 years	12.94	12.60	12.05
3		25 years	12.86	12.48	12.08
4	Medium Coupons	5 years	14.33	13.75	13.06
5		15 years	14.06	13.59	13.50
6		25 years	13.55	13.15	13.18
7	High Coupons	5 years	14.23	13.74	13.10
8		15 years	14.23	13.78	13.69
9		25 years	13.71	13.22	13.31
10	Irredeemables †		12.60	12.17	11.43
11	Debs & Loans	5 years	14.76	14.63	14.28
12		15 years	14.67	14.54	14.32
13		25 years	14.66	14.51	14.32
14	Preference †		15.30	15.16	14.35

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

FT UNIT TRUST INFORMATION SERVICE

INSURANCE BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Property Fund	225.7	237.[illegible]	.....	—
Equity Fund	51.3	54.[illegible]	.....	—
Property Acc.	263.6	277.[illegible]	.....	—
Equity Acc.	99.0	[illegible]	.....	—
Selective Fund	147.1	[illegible]	.....	—
Money Fund	163.8	[illegible]	.....	—
Convertible Fund	175.8	[illegible]	.....	—
Prop. Fd. Ser. 4	208.2	[illegible]	.....	—
Equity Ser. 4	54.8	57.[illegible]	.....	—
Man. Ser. 4	197.2	207.[illegible]	-0.1	—
Money Ser. 4	148.7	[illegible]	.....	—
Conv. Ser. 4	148.8	156.[illegible]	.....	—
Fixed Int. Fd. Ser. 4	115.9	[illegible]	-0.3	—
American Ser. 4	110.9	[illegible]	+2.2	—
High Inc. Ser. 4	116.7	[illegible]	.....	—
Pension Property	312.8	[illegible]	.....	—
Pension Equity	279.7	[illegible]	.....	—
Pension Selective	147.8	[illegible]	.....	—
Pension Managed	288.8	[illegible]	-0.2	—
Pension Security	216.2	227.[illegible]	.....	—
Pension Fixed Int.	111.4	117.[illegible]	-0.3	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	320.1	336.9	+1.3	—
Fixed Int. Acc.	191.7	201.7	-2.2	—
Gtd. Money Fd. Ac.	153.9	162.0	+0.1	—
Intl. Man. Fd. Acc.	143.4	150.9	+1.2	—
Intl. Fxd. Int. Fd.	106.6	112.2	.....	—
Prop. Fd. Acc.	158.[illegible]	166.3	.....	—
M'ple Inv. Acc.	248.5	261.5	+0.6	—
Equity Pen. Fd. Acc.	439.8	462.8	+2.1	—
Fixed I. Pen. Acc.	305.6	321.0	-4.[illegible]	—
G'td. Mon. Pen. Acc.	211.0	222.1	+0.2	—
Intl. Mn. Pn. Fd. Acc.	165.3	174.0	+1.5	—
Prop. Pen. Acc.	207.5	218.4	+0.1	—
M'ple Inv. Pen. Acc.	359.3	378.1	+0.6	—

Crown Life
Crown Life Hse., Woking GU21 1XW 04862 5033

Dist. Fd. Incm.	[illegible]	[illegible]	[illegible]	10.40
Mang'd Fd. Acc.	151.9	159.[illegible]	[illegible]	—
Mang'd Fd. Init.	[illegible]	141.[illegible]	[illegible]	—
Mang'd. Fd. Incm.	[illegible]	133.[illegible]	[illegible]	8.25
Property Fd. Acc.	[illegible]	136.[illegible]	[illegible]	—
Property Fd. Init.	[illegible]	[illegible]	[illegible]	—
Property Fd. Incm.	[illegible]	[illegible]	[illegible]	7.10
Fixed Int. Fd. Acc.	[illegible]	[illegible]	[illegible]	—
Fixed Int. Fd. Incm.	[illegible]	107.5	[illegible]	13.05
Equity Fd. Acc.	[illegible]	[illegible]	-0.[illegible]	—
Equity Fd. Init.	[illegible]	[illegible]	[illegible]	—
Equity Fd. Incm.	[illegible]	[illegible]	[illegible]	5.25
Inv. Tst. Fd. Acc.	[illegible]	[illegible]	[illegible]	—
Inv. Tst. Fd. Init.	142.0	[illegible]	[illegible]	—
Inv. Tst. Fd. Incm.	138.2	[illegible]	+0.3	2.55
Money Fd. Acc.	129.5	136.[illegible]	+0.1	—
Money Fd. Incm.	96.8	[illegible]	.....	15.00
Inter'l. Fd. Acc.	131.2	[illegible]	+1.1	—
Inter'l. Fd. Incm.	117.2	[illegible]	+1.0	4.30
High Income Acc.	122.1	[illegible]	-0.9	—
High Income Inc.	106.2	111.[illegible]	-0.8	11.25
PE Coronet Fd.	131.1	137.[illegible]	+1.6	—
Carr Sebag Inv. Fd.	131.6	[illegible]	.....	—
Brewin Equity Fd.	154.6	[illegible]	.....	—
Strategic Inv. Fd.	97.8	102.[illegible]	.....	—
Beaufort Man. Fd.	94.5	[illegible]	.....	—
St. George Mangd. Fd.	108.2	[illegible]	.....	—
Lines & Gen. Fd.	116.9	[illegible]	.....	—
Sage Fd.	83.9	[illegible]	.....	—
Heritage Fd.	95.4	[illegible]	.....	—
DBS Managed	102.3	107.[illegible]	.....	—
Crown, Brit. Inv. A		212.3	.....	—
Pens. Mixed. Fd.	143.3	[illegible]	-1.3	—
Pens. Mang'd. Acc.	106.9	[illegible]	-1.0	—
Pens. Mang'd. Init.	103.9	109.[illegible]	-1.3	—
Pens. Equity Acc.	97.4	[illegible]	-0.4	—
Pens. Equity Init.	94.6	[illegible]	-0.7	—
Pens. Fxd. Int. Acc.	105.8	[illegible]	-1.7	—
Pens. Fxd. Int. Init.	102.7	[illegible]	-2.0	—
Pens. Money Acc.	106.0	[illegible]	+0.1	—
Pens. Money Init.	103.0	[illegible]	-0.2	—

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N 4DJ 488 2323

Growth Prop. April 16	104.1	114.4	+0.6	—
Managed Pens Mar 10	117.91	127.80	.....	—

Legal & General (Unit Assur.) Ltd.
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU. Burgh Heath 53456

Cash Initial	115.4	[illegible]	+0.1	—
Do. Accum.	130.8	[illegible]	+0.1	—
Equity Initial	130.2	139.[illegible]	-1.9	—
Do. Accum.	207.8	21[illegible]	-2.2	—
Fixed Initial	158.6	167.[illegible]	-4.4	—
Do. Accum.	182.8	[illegible]	-5.2	—
Intl. Initial	128.2	[illegible]	+1.1	—
Do. Accum.	145.6	15[illegible]	+1.2	—
Managed Initial	165.2	17[illegible]	-1.9	—
Do. Accum.	190.5	[illegible]	-2.2	—
Property Initial	135.0	[illegible]	.....	—
Do. Accum.	155.7	[illegible]	.....	—
Exempt Cash Init.	140.7	[illegible]	+0.3	—
Do. Accum.	162.0	[illegible]	+0.2	—
Exempt Eqty. Init.	251.6	26[illegible]	-4.1	—
Do. Accum.	289.7	[illegible]	-4.7	—
Exempt Fixed Init.	199.1	[illegible]	-5.4	—
Do. Accum.	222.3	[illegible]	-6.4	—
Exempt Intl. Initial	82.2	[illegible]	+0.9	—
Do. Accum.	84.9	[illegible]	+0.8	—
Exempt Mngd. Init.	228.9	[illegible]	-4.0	—
Do. Accum.	263.6	277.[illegible]	-4.7	—
Exempt Prop. Init.	151.7	159.[illegible]	+0.1	—
Do. Accum.	174.7	183.[illegible]	+0.1	—
Sp. Deposit Init.	102.1	107.[illegible]	+0.2	—
Do. Accum.	104.3	109.[illegible]	+0.1	14.0

Legal & General Prop. Fd. Mgrs. Ltd.
11, Queen Victoria St., EC4N 4TP. 01-248 9678

L & G April 1	125.1	131.8	+1.2	—

Next sub. day May 1.

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Wardley Investment Services Ltd.,
4th Floor, Hutchison House, Hong Kong

Wardley Trust	HK$24.08	25.30	.....	4.86
Wardley Nikko Gs. Fd.	US$35.[illegible]	37.08	.....	2.70
Wardley Bond Trust	US$9.52	9.70	.....	9.07
Wardley Japan Trust	US$14.35	14.77	.....	1.22

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	US$11.35		.....	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	40.7	41.1	.....	6.60
Chinese Fund	76.7	79.9	.....	—
Precious Metal Fund	188.6	195.7	.....	—
Vanguard Cmdy. Fd.	46.6	47.8	.....	—
Financial Futures Fd.	107.5	111.9	.....	—
Wren Intl. Fnd.	US$0.956	0.996	.....	—

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHERS

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

[illegible]

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. [illegible]

♦ Merger bid or reorganisation in progress.
♣ Not comparable.
♦ Same interim: reduced final and/or reduced earnings indicated.
§ Forecast dividend; cover on earnings updated by latest interim statement.
‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
‖ No par value
§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	42	......
Bertrams	17#	......
Bdg'wtr. Est. 50p	415	......
Craig & Rose £1	£12¼	......
Finlay Pkg. 5p	29	......
Graig Ship. £1	£23	+1
Higsons Brew	70	......
Holt (Jos) 25p	565	......
I.O.M. Stm. £1	115	-3
Pearce (C. H.)	£12½	-¼
Peel Hldgs.	145	......
Sheff. Refrshmt	77	......
Sindall (Wm.)	200	......

IRISH

Conv. 9% '80/82	£95⅞	......
Nat. 4¾% 84/89	£67⅞	......
Fin. 13% 97/02	£70⅞	......
Alliance Gas	72	......
Arnott	220	......
Carroll (P.J.)	78	......
Concrete Prods.	98	......
Helton (Hldgs.)	17½	-3½
Irish Ropes	36	......
Jacob	70	......
T.M.G.	0	......
Unidare	45	......

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	8	House of Fraser	15	Utd. Drapery	7
BOC Intl.	15	I.C.I.	24	Vickers	16
B.S.R.	8½	"Imps"	8	Woolworths	5
Babcock	10	I.C.L.	5½		
Barclays Bank	42	Ladbroke	15	**Property**	
Beecham	21	Legal & Gen.	19	Brit. Land	7½
Blue Circle	48	Lex Service	10	Cap. Counties	10
Boots	29	Lloyds Bank	42	Land Secs.	28
Bowaters	24	"Lofs"	6½	MEPC	20
Brit. Aerospace	17	London Brick	7	Peachey	14
B.A.T.	38	Lucas Inds.	20	Samuel Props.	11
Brown (J.)	7	"Mams"	12	Town & City	3½
Burton Ord.	13	Mrks. & Spncr	12		
Cadburys	9	Midland Bank	30	**Oils**	
Courtaulds	8	N.E.I.	9	Brit. Petroleum	26
Debenhams	7	Nat. West. Bank	38	Burmah Oil	10
Distillers	15	P & O Dfd.	14	Charterhall	6
Dunlop	6½	Plessey	32	KCA	14
Eagle Star	31	Racal Elect.	35	Premier	6
F.N.F.C.	4	R.H.M.	6½	Shell	30
Gen. Accident	28	Rank Org. Ord.	20	Tricentrol	22
Gen. Electric	65	Reed Intnl.	26	Ultramar	38
[illegible]		Sears	6		

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 30

FINANCIAL TIMES
Tuesday April 6 1982

Closure warning on Mersey Docks

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE Mersey Docks and Harbour Company said yesterday that unless it achieved the "difficult" task of becoming commercially viable this year it would go out of business.

It has told its unions that it wants a reduction of about 1,300 in its docker and white-collar labour force, which stands at slightly more than 5,000. The company was "virtually bankrupt," it was warned.

The company announced yesterday that it had made a trading loss of £7.5m in 1981, a sharp rise from the £3.8m loss the previous year.

At the same time, Mersey Docks received more than £19m in aid from the Government including more than £7.6m towards the cost of voluntary severance schemes under which almost 1,200 employees left the company.

In a similar stance to that adopted towards the Port of London Authority, the Government has told the Port of Liverpool, of which Mersey Docks forms part, that it will provide no grants to cover operating losses from the end of this year.

Asked if the company would cease operating if it failed to achieve viability this year, Sir John Page, the Mersey Docks chairman, said: "That's what would happen."

He said the company was "virtually bankrupt" and dependent on government aid. The next 12 months would be the most crucial in the port's history.

He also admitted that performance for the first three months of this year had not been as good as hoped, although this was partly the result of not yet putting restructuring measures into operation. The restructuring plan would be discussed with the Government at the end of the month.

A further, although more minor, worry is that Liverpool handles 50 per cent of all trade between Britain and Argentina — about 100,000 tonnes a year.

The company meets its unions tomorrow at the start of this year's wage negotiations. A claim for substantial increases has been submitted.

Sir John said wage increases would have to be limited "to the absolute minimum."

The company has been trying hard to attract trade and has recently secured some profitable copper tonnage.

It has lost out, however, on steel and sugar movements because of plant closures and a drift towards east coast ports.

Sir John said the 1981 preliminary results were predictable. The decline in port business reflected the trade depression.

Last year, however, was also a period of progress when bold steps had been taken to improve efficiency and productivity and stabilise charges.

Cargo and containers handled by Mersey Docks—which does not cover the whole of the Port of Liverpool—fell from 12.5m tonnes in 1980 to 11m last year.

Operating revenue was cut from £65.6m to £61.4m. Of the Government's financial aid, £11.7m was in the form of grants to enable the company to continue operating while taking steps to improve financial viability.

Unions pledged to fight Tebbit Bill

BY JOHN LLOYD, LABOUR EDITOR

BRITAIN'S 11m trade unionists were yesterday committed to a fight against the Government's employment legislation which, they were told, must be destroyed if unions were to avoid emasculation.

Union executives attending the TUC special conference at Wembley on the Bill proposed by Mr Norman Tebbit, Employment Secretary, voted all but unanimously to approve an eight-point battle plan aimed at neutralising the Bill's measures on the closed shop and on immunities for industrial action.

Mr Len Murray, the TUC General Secretary, told the conference that the Bill was "a manifesto for a union-free society" which the unions had to oppose.

Mr David Basnett, chairman of the TUC's economic committee and general secretary of the General and Municipal Workers' Union, said: "Defeat on Tebbit's Bill will not just be for a day. Given the political uncertainty which surrounds us, this statute could be with us for long enough to destroy us. We either act swiftly or we face emasculation. The choice is as stark as that."

Formal opposition to the TUC strategy came only from the small actors' union Equity, the executive of which wishes to apply for State funds for ballots, and from the National Union of Teachers, which opposed the proposal to raise a fighting fund.

However, the debate contained undercurrents involving different approaches to the legislation, some of which were barely explicit, but which are likely to surface once the "hard pounding" begins, to use Mr Murray's phrase.

Left-wing union leaders like Mr Arthur Scargill, making his first public appearance as president of the Mineworkers' union, Mr Moss Evans, general secretary of the Transport Workers and Mr Ken Gill, general secretary of the white-collar engineering union AUEW Tass, joined Mr Joe Wade, general secretary of the print craft union the National Graphical Association in opposition to the use of the £1m fighting fund to pay legal fees or fines incurred by unions in actions under the legislation.

Mr Scargill called on unions "not only to defy the Bill and defy the law, but also to give assistance to those other unions least able to help themselves."

However, Mr Murray made clear the General Council's view that "we may need to help a union meet the costs of fighting a legal battle." The division on the issue is deep, but is likely to remain shelved until tested by circumstance.

At the same time, both Mr Murray and Mr Evans opened an avenue to employers who might be unwilling to use the legislation.

Many speeches reflected the uncertainty felt by the General Council of obtaining the massive support the strategy needs from ordinary members.

The General Council has still to resolve whether or not to call for general strike action, possibly for a token one or two hours, against the Bill.

After the conference, the TUC announced that unions had already donated some £900,000 to the fighting fund.

Debate and details, Page 10

Fleet to close Financial Weekly

By Our Industrial Correspondent

THE NEWSPAPER Financial Weekly is to close, with the final edition appearing this week.

Financial Weekly was launched three years ago by Trafalgar House, owners of the Daily Express, Sunday Express, and Daily Star. At the end of last year Trafalgar House decided to hive off its publishing interests — which also contain the Morgan-Grampian magazine group — and a new company, Fleet Holdings, has since been formed.

Financial Weekly has been making losses of about £1m per year on a paid-for circulation of about 17,000, plus 60,000 copies distributed free. Last year it was amalgamated with the Accountants Weekly magazine.

The newspaper's 50 staff — including about 20 journalists —were told of the decision to close at a meeting yesterday morning. Mr Brian Rowbotham, chairman of Fleet Financial Publishing, said yesterday that any offer for the title would be considered.

A group of the newspaper's journalists are discussing the feasibility of organising a staff buyout unless an alternative buyer emerges. They expect to receive redundancy payments equivalent to nine months' pay.

Weather

UK TODAY

THUNDERY rain will spread northwards.

London, S.E., E and N. Central England

Outbreaks of thundery rain giving way to sunny intervals. Max. 13C (55F).

S. Central England, W. Midlands, Channel Isles, Wales

Scattered showers, sunny intervals. Max. 13C (55F).

S.W. England

Mostly dry at first. Rain later. Max. 15C (59F).

N.W. England, S.W. Scotland, N. Ireland

Thundery rain and hill fog will clear slowly. Max. 11C (52F).

W. Scotland, Central Highlands

Mostly cloudy with rain spreading from south. Widespread mist. Max. 11C (52F).

N.E. Scotland, Orkney, Shetland

Mist and fog with rain later. Max. 9C (48F).

Outlook: Changeable.

WORLDWIDE

	Y'day midday	°C	°F		Y'day midday	°C	°F
Ajaccio	F	17	63	L. Ang.			
Algiers	F	21	70	Luxmb.	S	18	64
Amsdm.	F	17	63	Luxor	S	29	84
Athens	S	24	64	Madrd	F	14	57
Bahrain	S	27	81	Majorca	F	19	66
Barclna.	F	18	61	Malaga	S	18	64
Beirut	F	19	66	Malta	F	17	63
Belfast	F	12	54	M'chstr.	T	17	63
Belgrd.	F	14	57	Melbne.			
Berlin	S	15	61	Mx. C.			
Biarritz	C	20	68	Miami			
Bmghm.	C	15	59	Milan	F	17	63
Blackpl.	C	17	63	Montrl	Sn	-11	12
Bordx.	C	15	59	Mosc'w	Sn	3	39
Boulgn.	F	19	66	Munich	S	15	61
Bristol	R	13	55	Nairobi	F	25	77
Brussels	F	19	66	Naples	S	18	64
Budpst.	S	15	61	Nassau			
B. Aires	C	22	72	Nwcstle.	F	12	54
Cairo	C	22	72	N. York			
Cardiff	C	11	52	Nice	S	17	63
Cas'b'ca	C	17	63	Nicosia	F	19	66
Cape T.	S	20	68	Oporto	F	15	59
Chicgo.	Sn	-1	30	Oslo	C	6	43
Cologne	F	18	64	Paris	F	17	63
Cpnhgn.	F	7	45	Perth			
Corfu	S	19	66	Perth	F	26	79
Dovert	C	-1	30	Prague	S	15	59
Dublin	C	11	52	Reykjvk.	C	6	43
Dbrvnk.	S	17	63	Rhodes	S	19	66
Edinbgh.	C	10	50	Rio J'o			
Faro	F	19	66	Rome	S	17	63
Florence	S	21	70	Salzbrg.	S	17	63
Frankfrt.	F	17	63	S'cisco			
Funchal	F	18	64	S. Mritz.			
Geneva	F	15	59	Singapr.	T	24	75
Gibrltr.	F	15	64	S'ngo.			
Gl'sg'w	C	11	52	Stckhm.	F	6	43
G'nsey	S	15	59	Strasbg.	S	18	64
Helsinki	S	5	41	Sydney			
H. Kong	C	17	63	Tangier	F	17	63
Innsbr.	S	19	66	Tel Aviv	C	18	61
Invrnss.	C	10	50	Tenerife	F	19	66
I.o.Man	C	11	52	Tokyo	S	13	55
Istanbul	C	17	52	T'rnto	Cl	-9	16
Jersey	C	11	52	Tunis	S	20	68
Jo'burg	F	19	66	Valencia	C	16	61
L. Pms.	S	19	66	Venice	C	16	61
Lisbon	F	15	61	Vienna	S	15	59
Locarno	C	18	61	Warsaw	F	15	59
London	F	18	64	Zurich	C	15	59

C—Cloudy. Cl—Clear. F—Fair. R—Rain. S—Sunny. Sn—Snow. T—Thunder. †Noon GMT temperatures.

Prior presses ahead with plans for devolution in Ulster

BY MARGARET VAN HATTEM, POLITICAL STAFF

MR JAMES PRIOR, Northern Ireland Secretary, yesterday presented his plans for devolution in Northern Ireland and reaffirmed his determination to press ahead with legislation in the current session of Parliament on what be later described as "problems second to none."

Despite pressure from some other members of the Government over the weekend to delay his statment to the Commons because of the Falklands crisis, Mr Prior insisted on sticking to his timetahle. His Bill is expected to be presented later this week.

His proposals, while sbarply criticised by Mr James Molyneaux, leader of the Ulster Unionist Party, and certain prominent Unionist sympathisers on the Tory back benches, were welcomed hy Labour and the SDP/Liberal Alliance, who pledged their hroad support.

More surprisingly, they received a guarded welcome from the Rev Ian Paisley, leader of the Democratic Unionist Party, who said be supported the proposals for an elected assembly in which be saw similarities to the 1975 Northern Ireland convention report.

Mr Paisley criticised what be described as the sectarian nature of the proposals for transferring power to the new assembly, wbich stipulate the need for Catholic as well as Protestant support. But his respoose was remarkable for its moderate tone, in marked contrast to that of Mr Molyneaux.

But Mr Molyneaux was heckled and jeered wben he attacked as "shameful" Mr Prior's plans to "erode the rights and privileges of British subjects within tbe UK" on the day that British armed forces had set out to free British subjects from foreign dominatioo. A sharp rebuke from Mr Prior won warm approval from both sides of the House.

Mr Prior's supporters appear to be encouraged by yesterday's response to the hWite Paper in the Commons, and an even warmer response from the Lords. They now estimate the expected Tory backbench rebeilion on the Bill at no more than 20 MPs.

Introducing the hWite Paper, Mr Prior stressed that the Government did not under-estimate the opposition of Ulster political parties and the strains the proposals would have to bear.

Our Belfast Correspondent writes: Mr John Hume, Leader of the SDLP, the main Roman Catholic party in Northern Ireland, said nothing in the Government's White Paper altered his vlew that the proposals could not bring any stability to the province. "The mechanism for devolving power could not be worked—Mr Paisley and Mr Molyneaux have made that very clear," he said.

Details, Page 7

Reagan hint at talks with Brezhnev

By Reginald Dale in Washington

President Ronald Reagan yesterday held out the prospect of a meeting with President Brezhnev of the Soviet Union this summer — provided Mr Brezhnev was prepared to come to New York to address the special session of the UN General Assembly on disarmament in June and July.

Mr Reagan said that on his return from his European trip — when he wil attendl an economic summit in Paris and a Nato summit in Bonn— he would address the UN on arms control.

He sai dhe hoped President Breznhnev would do the same. Mr Reagan said he would "naturally" be prepared to meet Mr Brezhnev for talks if the Russian leader came to the U.S. as head of state.

He doubted, however, whether the meeting would be a "fullblown" formal summit but, stressed the idea of arms reduction and controls was one of the most important challenges facin gthis administration.

Mr Reagan said he remained opposed to suggestions that he should cut defence spending in any way that might prevent the upgrading of U.S. weapons to close the strategic "window of vulnerability" during which the U.S. land-based forces may be vulnerable to Soviet attack.

He maintained his view that the Soviet Union has an edge over the U.S. in strategic nuclear weapons, and rejected criticism for having raised the issue. If the Soviet Union knew that it had superiority, the U.S. people had a right to know, too, he said.

Maxwell hopes for newspaper print deal

BY DAVID FREUD

THE British Printing and Communication Corporation is negotiating with a Fleet Street publisher to take over the contract printing of its newspapers, according to Mr Robert Maxwell, chairman of BPCC. Yesterday he declined to name the publisher.

The talks follow implementation of a survival plan for the group in which print workers have agreed to work more flexibly.

Mr Maxwell, chairman of the private company Pergamon Press, became chief executive and deputy chairman of the troubled BPCC in February 1981 after a capital reconstruction which left Pergamon holding more than three-quarters of the shares.

Figures for 1981 show a sharp turnround in performance since the survival plan took effect. In the first half, BPCC made a pre-tax loss of £8.1m. But in the second half the group made a pre-tax profit of £6.9m, to show a pre-tax loss for the year of £1.2m, compared with an £11.2m loss in 1980.

Mr Maxwell said profits would increase this year even without an upturn in the economy. A significant breakthrough was an agreement with the print union Slade to introduce electronic page make-up systems.

Details Page 18

Carrington resigns over Falklands

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minister, though some MPs have doubts about Mr Pym's experience in Foreign Office matters.

Mr Pym's move has double-edged implications. It ties him to the success of the Falklands expedition. It also gives an opportunity to one of the Prime Minister's most formidable rivals. Mr Pym was only moved in January last year from the Ministry of Defence because of his opposition to cutbacks in conventional forces. He has also had undisguised differences with Mrs Thatcher on the economic outlook.

Mr Nott's political position remains precarious. Mrs Thatcher refused his resignation because "the Ministry of Defence is not the department responsible for policy towards the Falkland Islands. It is vital that you continue as Defence Secretary as our forces prepare for the possibility of armed action. I have the fullest confidence in your ability to carry out the crucial tasks that lie ahead."

Nevertheless, senior Ministers were saying last night that Mr Nott's future was dependent on the successful outcome.

Mrs Thatcher clearly feels the blame for the crisis lies with the Foreign Office for failing to anticipate the Argentine action. In her ITN interview she said she had no alternative but to accept Lord Carrington's resignation though she spent a lot of time over the week-end trying to dissuade him. She said he felt that "the policy had failed and therefore it is a matter of honour that he should go. If a person says to me it is a matter of honour, that is the one ground which I am not at liberty to refuse.

She praised Lord Carrington as a "sturdy and bonny fighter for Britain."

Tory MPs seem to be giving grudging support to the Government's policy towards the Falklands following strong indications over the weekend that force would be used if necessary to restore sovereignty. Mr Nott was assured of the private support of the backbench defence committee yesterday.

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Loan and credit pressure

Also apparently at risk last night was a £50m sterling acceptance credit arranged earlier this year for Argentina's oil company YPF through Grindlays. Bankers said it was unlikely that the borrower would be permitted to roll over bills drawn under the credit as they fell due.

International bankers were yesterday comparing the British action and the U.S. freezing of Iranian assets during the Tehran hostage crisis. The difference is that, unlike Iran, Argentina does not hold substantial deposits with international banks.

Its foreign exchange reserves amount to only some $5bn, while its total foreign debt is about $32bn. British based banks have $5.8bn in loans outstanding to Argentina, which needs to horrow about $3.5bn in medium and long term money and about $3.7bn in fresh short term finance this year.

Argentine officials said yesterday that they were reconsidering plans to float a $250m credit for the gas utility Gas del Estado shortly. They said British action seemed likely to damage London's reputation as an international financial centre.

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Reagan

will be accepted until the islanders learn Spanish and the authorities yesterday devalued the currency used by the Falklanders saying it was "no longer of any value, any more, anywhere."

The aircraft carrier Hermes, which left Portsmouth yesterday with the Invincible, the second carrier in the force, is acting as flagship of the British force, which will consist of more than 30 ships.

In Lisbon, Sr Leonardo Matias, the Foreign Affairs Secretary, said Portugal would allow the Royal Navy to refuel in the Azores.

THE LEX COLUMN

Tremors from the Falklands

Having brushed aside the Falklands crisis on Friday, the London stock market was still little disposed to pay much attention at the opening yesterday. But this complacency was rudely shattered as the market was forced to stop thinking in terms of a distant foreign adventure, and come to grips with the implications of a very real domestic political upheaval.

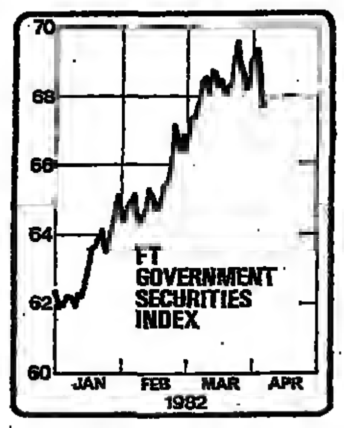
The immediate reason for the reversal lies in the weakness of sterling, which closed 1.8 cents lower at $1.7680 — its worst against the dollar since October 1977. At the very least that kills hopes of a further fall in interest rates in the next few weeks—and money market rates edged up yesterday by around a quarter of a point.

Looking further ahead the public spending implications of the affair are clearly unsettling for the gilt-edged market — both in terms of the immediate costs of a naval action, and of the potential long-term burden of a bigger defence commitment. But what really sent gilts down by 2½ points or more was the realisation that if the operation to regain the Falklands is anything but a clear-cut success the Government could be extremely vulnerable. Given that in terms of economic policy the City would be unlikely to prefer any conceivsble alternative administration —a sentiment shared by most foreign holders of sterling — the reactions are understandable. It is also worth saying that iovestors bave sizeahle profits for the taking in gilts, and to some extent in equities too.

One consequence of earlier rounds of nationalisation in Argentina is that few companies have much direct exposure to the country. The most obvious exception is Lloyds Bank International, whicb owns a retail chain of some 38 branches in the country. Even here exposure is limited, with net assets of perhaps £25m at risk and profits of possibly £10m, a bare 2½ per cent of Lloyds' total.

And wbile the banking sector was affected by concern about the implications of the Government's financial sanctions, it looks as if the specific sums on loan from the clearers are not overwhelming. More worrying is the dent to London's reputation as a financial centre, and less parochially the possible emergence of Argentina as yet another international financial crisis area.

Index fell 11.1 to 559.9



BPCC

Mr Robert Maxwell claimed to have financed a slap-up lunch for financial journalists at Claridges yesterday ont of his profits on selling out his ACC shareholding last month. But the 1981 results for the British Printing and Communications Corporation, of which be is chief executive, also gave him no mean grounds for celebration. After a first half loss of £8.1m, the measures taken in the "survival plan" have produced a £6.9m profit in the second six months.

With the benefits of reduced overheads still coming througb progressively, and without £1½m of start-up costs seen in the second balf, the pre-tax ontcome for the current year may be somewhere in the region of £15m to £20m. With the shares at 38p, up 2p yesterday, the p/e is about 5½ times fully-taxed. But independent shareholders are firmly in the minority and the cost of re-introducing the dividend will be high, since it will trigger an increase in employee's pay.

Glaxo

Glaxo's figures for the half year to December have achieved the difficult feat of over-shooting the market's expectations, generally of profits just below £50m. When the actual total emerged at £56.8m, almost 60 per cent higher than in 1980-81, the shares went to a new high of 556p, one-third above the level at which they began the year.

The story is principally one of volume. Sales have increased by 27 per cent, and although some of this is accounted for by price increases and by the improved product mix — as Glaxo'a more recent, higher-margin drugs gain ground — volume overall is probably up by a fifth.

Since the numbers employed in UK manufacturing have remained roughly the same, there has been a significant effect on margins. Paring away currency effects and surpluses on property sales — together amounting to £6.7m — net margins seem to have improved by about a tenth.

Estimates of full-year profits have been revised upwards yet again, so that a target of £125m is now being towed across the horizon. That suggests a fully-taxed and diluted p/e of about 17, but enthusiasm remains bright, particularly given the very successful launch of Glaxo'a anti ulcerant, Zantac, and similar expectations of the new cephalosporin, Fortam.

BP

"I believe there are serious dangers in over-emphasising the dangers of the present recession," says BP's new chairman Mr Peter Walters in the company's annual report. A minor share price rally in the past few weeks has indicated that the market has been able to share a relatively optimistic view. But much of the price rally was undone by yesterday's 14p fall to 284p, and in any case fearsome competition continues to plague the European downstream markets.

Heavy stock losses are bound to mean that conventionally stated net income will be lower in 1982 than last year, especially in the early months. The scale of the setback will, however, depend on whether the Saudis are right in claiming that destocking has been going on at an unsustainable pace, and may have to be sharply reversed during the summer and autumn. In any case, BP's overall current cost earnings should actually emerge substantially higher in 1982—though in the medium term the group's abiliy to return to downstream profitability will depend on its competitors' willingness to cut capacity as well as on its own streamlining measures.